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The United Arab Emirates: A Handbook [REDACTED]

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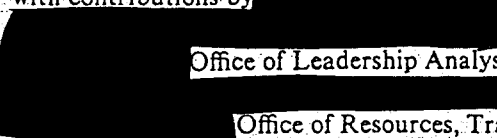

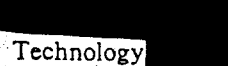
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The United Arab Emirates: A Handbook

A Reference Aid

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Technology

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The United Arab Emirates: A Handbook [REDACTED]

Overview

*Information available
as of 2 January 1992
was used in this report.*

The United Arab Emirates (UAE)—a collection of small shaykhdoms perched on the southern Persian Gulf littoral—is a stable, prosperous country. The UAE was formed in 1971 when the United Kingdom's decision to withdraw its security guarantee to several Gulf states led the emirates of Abu Zaby (Abu Dhabi), Dubayy, Ash Shariqah (Sharjah), Umm al Qaywayn, Al Fujayrah, and 'Ajman to federate. The emirate of Ra's al Khaymah joined the federation in 1972. The discovery of oil in the 1950s gave the emirates the economic capability to rapidly modernize and provided their citizens with one of the highest standards of living in the world. [REDACTED]

[REDACTED] Abu Dhabi and Dubayy are the two largest, most populous, and wealthiest emirates. Abu Dhabi controls most federal institutions, including the federal armed forces, and dominates UAE foreign-policy decisionmaking. Dubayy retains its own military and police forces, and its economy is independent of that of Abu Dhabi. [REDACTED]

The UAE's economy remains linked to the world oil market despite recent efforts to diversify. The federation's large oil reserves allow it to pursue a long-term policy of trying to keep prices low to encourage demand. Japan and Singapore are the UAE's most important trade partners. Foreign assets also provide significant income. Natural gas, manufacturing, agriculture, and banking are growing in importance to the UAE economy, but they are dwarfed by the oil sector. All sectors of the UAE's economy depend heavily on expatriate workers. [REDACTED]

The UAE armed forces are struggling to improve [REDACTED]

The UAE is suspicious of its neighbors, especially Iran, but it has little choice but to rely on diplomacy to avoid confrontations. The federation worries that Iran threatens the security of its outlying islands and oil installations in the Gulf, a suspicion that lingers despite recent Iranian efforts to present a moderate image in the region. Saddam Husayn's Iraq also is feared, but its distance from the federation makes it less threatening than Iran. The UAE and Saudi Arabia have grown closer in recent years,

[REDACTED] The UAE is reevaluating many of its relations in light of alliances that formed during the Gulf war. The federation's commercial focus and military weakness lead it to rely on accommodation in its foreign policy.

[REDACTED] B(a)5
Relations between the UAE and the United States have blossomed since the Iraqi invasion of Kuwait. The UAE looks to the United States as an important security partner and potential arms supplier.

[REDACTED] The UAE and Washington are negotiating a bilateral security arrangement

[REDACTED] B(a)5

Land and People

Topography

Almost all of the United Arab Emirates (UAE) consists of a flat coastal plain along the southern littoral of the Persian Gulf. Sand dunes ranging from 5 to 100 meters in height cover most of the plain. In the south they merge into high, linear ridges called seif dunes. To the west numerous escarpments and coastal salt flats called sabkhas break up the plain. Sabkhas also dot the coast between the escarpments and the cities of Abu Dhabi and Dubayy and cover the southeastern part of the country [REDACTED]

Higher elevations are found only in the northeast, where the Al Hajar Mountains reach a height of 2,000 meters above sea level. Gravel-covered plains slope down from the Al Hajar Mountains on their eastern side, reaching the Gulf of Oman. On the western side, sand and gravel washed out from the higher elevations form gullies that fan out onto the plain below. At lower elevations sediment-filled valley floors are in turn dissected by steep-walled stream channels [REDACTED]

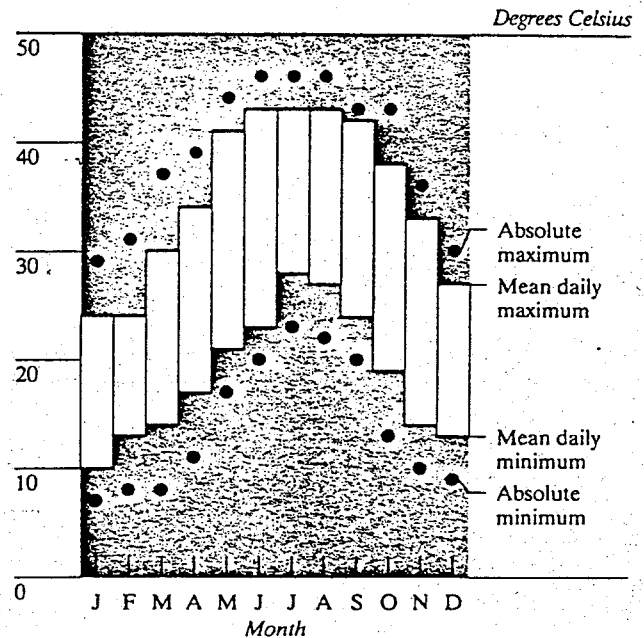
Water

Freshwater resources are scarce in the UAE. Groundwater and desalinated seawater supply most of the federation's needs. Surface water is available only during the winter months, principally in the Al Hajar Mountains, where it is used to support local agriculture. [REDACTED]

Total groundwater resources are estimated to be nearly 10 billion cubic meters, but the quality of the groundwater varies greatly. Coastal aquifers, situated beneath the country's major population centers where water demand is high, are chronically overdrawn and are becoming increasingly contaminated by the intrusion of saltwater. At present rates of extraction and replenishment, potable groundwater resources may be seriously depleted by 2010. [REDACTED]

Depletion and contamination of groundwater resources have forced the UAE to turn to desalination to meet its municipal and industrial needs and may result in serious water shortages in the future. The UAE has nine desalination plants—seven use the multistage flash process and two the more sophisticated reverse osmosis process—that together produce

Figure 1
UAE: Temperature Data^{ab}



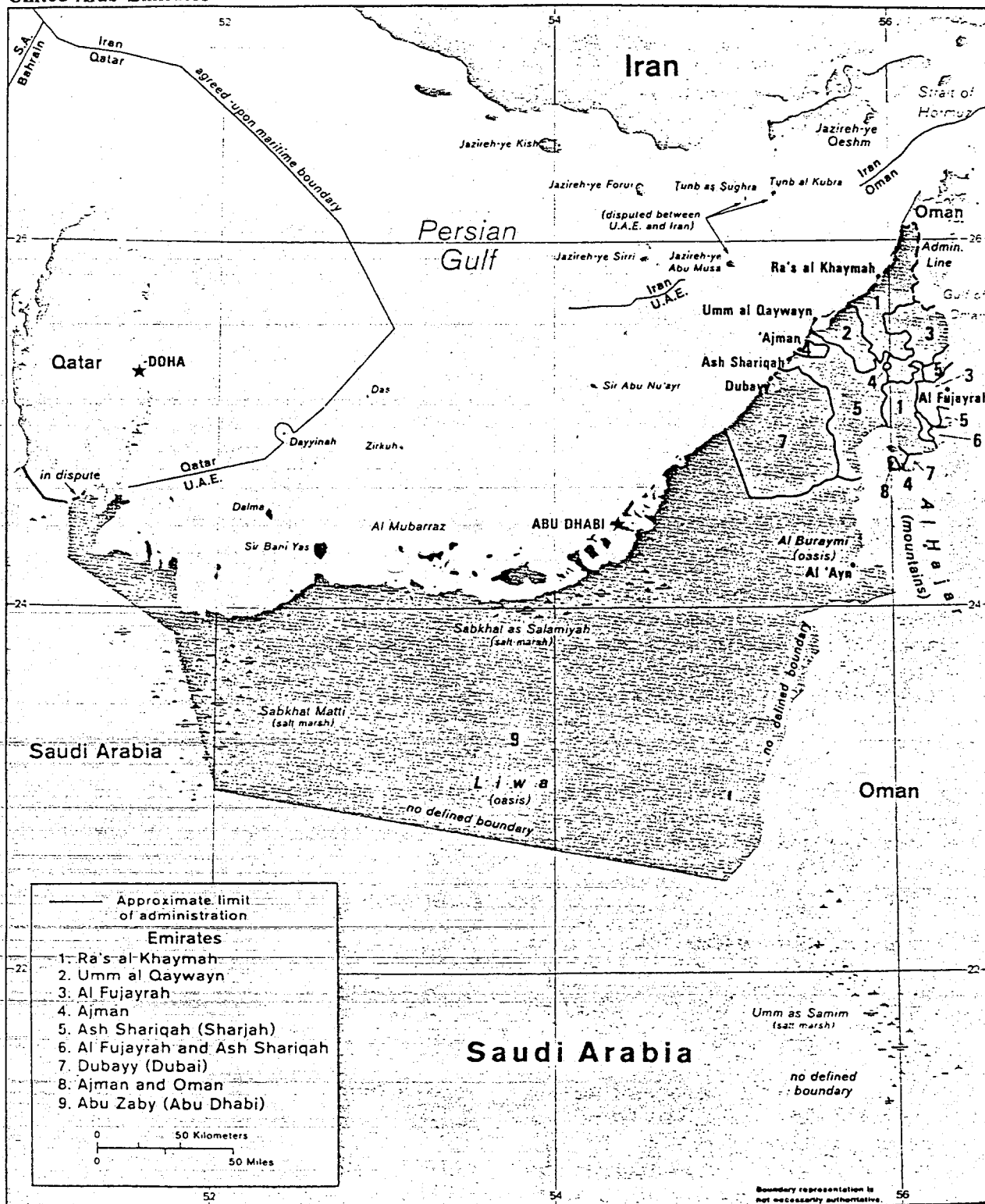
^aTemperature information gathered at Falaj al Mu'alla station.

^bThe UAE has hot summers and mild, dry winters. It is not unusual for the more arid interior to be completely without rain for several years at a time. The country's small amount of rain falls mainly in the mountains of the Emirates between November and May; snow is unknown. Annual rainfall can reach 13 centimeters in these higher elevations. Temperatures in the Emirates can range from between 37 degrees Celsius and 46 degrees Celsius in the summer and 10 degrees Celsius and 18 degrees Celsius in the winter with January usually the coldest month.

316 million cubic meters of potable water annually.¹ According to government information, the UAE is meeting its water needs, but [REDACTED] expensive

¹ Multistage flash desalination is a distillation process in which seawater is boiled under a slight vacuum and the vapor is separated and collected. Reverse osmosis desalination involves a separation process in which water from a pressurized saline solution is separated from the dissolved materials by flowing through a membrane [REDACTED]

Figure 2
United Arab Emirates



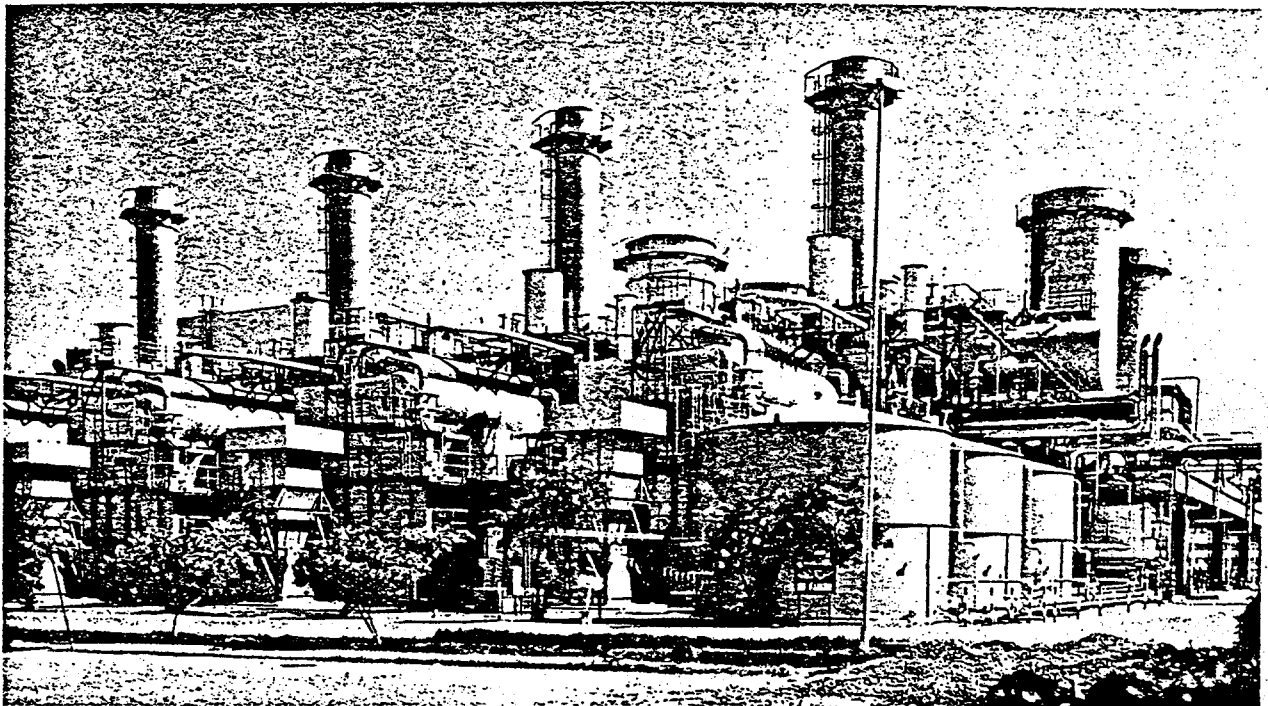


Figure 3. A United Arab Emirates power plant. The UAE annually generates about 6,000 megawatts of electricity. Some 44 percent of this is produced in four large facilities: one each in Abu Dhabi and Al 'Ayn, and two in Dubayy. Small facilities feeding into local networks generate the remainder of the country's electricity. Although 132 and 220 kilovolt lines connect major centers, 33, 11, or 6.6 kilovolt lines make up the local networks.

construction and repair of desalination plants, more efficient irrigation methods, and reduced domestic water consumption will be necessary to avoid severe water shortages within the next two decades.

History

The emirates along the Persian Gulf littoral became independent and formed the UAE after the United Kingdom ended its treaty relationship with them in 1971. Following prolonged negotiations, six emirates announced they had formed a union on 2 December 1971, a day after they became fully independent from the United Kingdom. The seventh emirate, Ra's al Khaymah, joined the federation in early 1972. All the emirates hoped that federating would improve their individual security.

The 1970s and 1980s witnessed the transition of the UAE from a backward group of emirates to an increasingly secure federation. Abu Dhabi and Dubayy began exploiting their oil reserves during the 1960s, which gave them the wherewithal to modernize their emirates. In the mid-1970s the UAE developed working relationships with its immediate neighbors, Saudi Arabia and Oman. Relations with these countries further improved in response to perceived threats posed by the Iranian revolution in 1979 and the Iran-Iraq war. Throughout the 1970s the UAE's standard of living increased rapidly, and the federation maintained this trend despite the plunge in oil prices in the early 1980s.

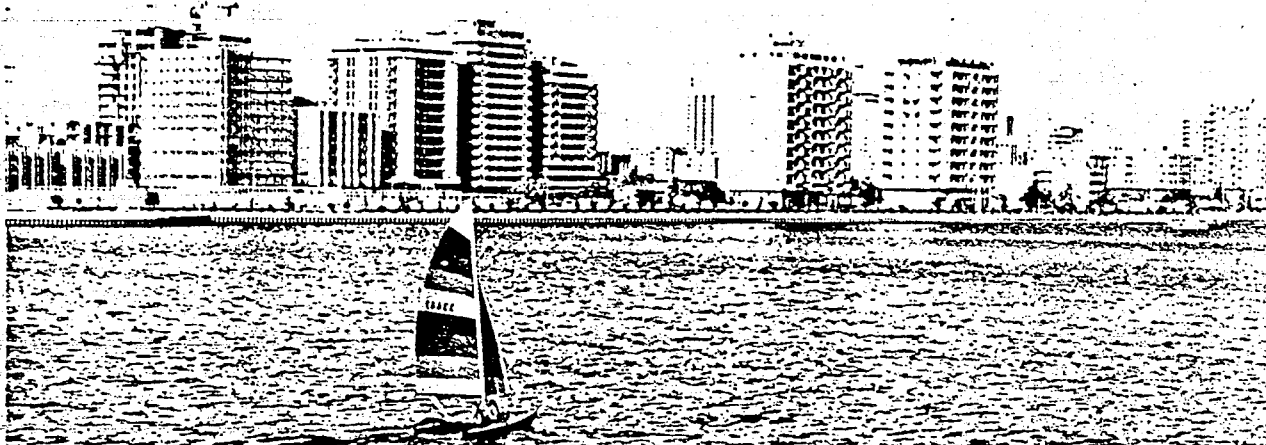


Figure 4. The Corniche in Abu Dhabi in 1966 and 1981

Despite the increasing cohesiveness of the federation, the UAE remains a loose confederation of traditional shaykhdoms. Individual emirate rulers, not the federal government, make most of the important decisions. The two largest and most powerful emirates, Abu Dhabi and Dubayy cooperate on foreign policy but retain separate economies, militaries, and police forces. The northern emirates, which depend on the largess of Abu Dhabi and, to a lesser extent, Dubayy are reluctant to yield political sovereignty.

Profiles of the Seven Emirates

Abu Dhabi. Dominating the federation, Abu Dhabi is the largest and most powerful emirate in the UAE. Abu Dhabi holds the UAE presidency, dominates the UAE military, and takes the lead on foreign policy. Abu Dhabi also contributes most of the federation's budget and subsidizes many of the poorer emirates. Oil wealth provides Abu Dhabians with one of the world's highest per capita incomes, and the emirate provides a generous welfare net for its citizens.

Major Events in UAE History

16th century. Portugal establishes forts along the Arabian Peninsula coast to protect its trade routes to the Indies.

1625. Britain and Holland ally to reduce the Portuguese naval presence in the Gulf. Holland remains the dominant outside power in the region for the rest of the century.

1790. The Al Bu Falah clan of the Bani Yas tribe settle in Abu Dhabi town.

1798. The British East India Company reaches an agreement with the Imam of Muscat that allows an armed British trading settlement at Bandar-e 'Abbas. This move represents the beginning of British dominance in the region.

1819. The British shell Ra's al Khaymah after a series of increasingly bloody skirmishes with the tribes of the Qawasim federation, who ruled over what became the emirates of Ra's al Khaymah and Sharjah and dominated the area that now makes up 'Ajman, Umm al Qaywayn, and Al-Fujayrah. The shelling signals the beginning of the end of Qawasim dominance in the region. To contain the Qawasim, the British occasionally worked with the Bani Yas tribal grouping, who had emigrated from the Arabian Peninsula's interior in the early 19th century and settled in Abu Dhabi and Dubayy. The current ruling families of Abu Dhabi and Dubayy are of the Bani Yas, and the rulers of Ra's al Khaymah and Sharjah are of the Qawasim.

Early 19th century. Piracy against British shipping increases to the point that British cartographers label the region the "Pirate Coast."

1834. Dubayy, where the Al Bu Falasah branch of the Bani Yas tribe had recently settled, declares its independence from the Al Bu Falah clan of Abu Dhabi.

1835. After a series of skirmishes with Britain, leading shaykhs agree to end hostilities at sea.

1853. Britain and local shaykhs sign a treaty agreeing to a maritime truce. Often unable to come to agreements among themselves, the shaykhs agree to let Britain settle their disputes. British cartographers rename the region the "Trucial Coast."

1869. Zayid the Great consolidates Bani Yas preeminence in the Al Buraymi Oasis.

1892. Britain and the Trucial States sign a treaty forbidding the shaykhs to enter into relations with foreign governments or dispose of territory in exchange for British protection.

1958. Oil is discovered in Abu Dhabi.

1966. Shaykh Zayid bin Sultan assumes power in Abu Dhabi. Oil is discovered in Dubayy.

1968. The United Kingdom announces it will end its treaty relationship with the Trucial States in 1971.

1971. Six Trucial States form the United Arab Emirates.

1972. Ra's al Khaymah joins the federation. Sharjah discovers a small amount of oil.

1973. The UAE joins the Arab oil embargo against the United States and other Western countries.

1974. Saudi Arabia and the UAE reach agreement on their disputed border.

1981. The UAE joins with Saudi Arabia, Kuwait, Oman, Bahrain, and Qatar to form the Gulf Cooperation Council.

1987. Abd al-Aziz of Sharjah attempts an unsuccessful coup against his elder brother, Sultan, with the approval of Abu Dhabi. Dubayy and Saudi Arabia tacitly support Sultan.

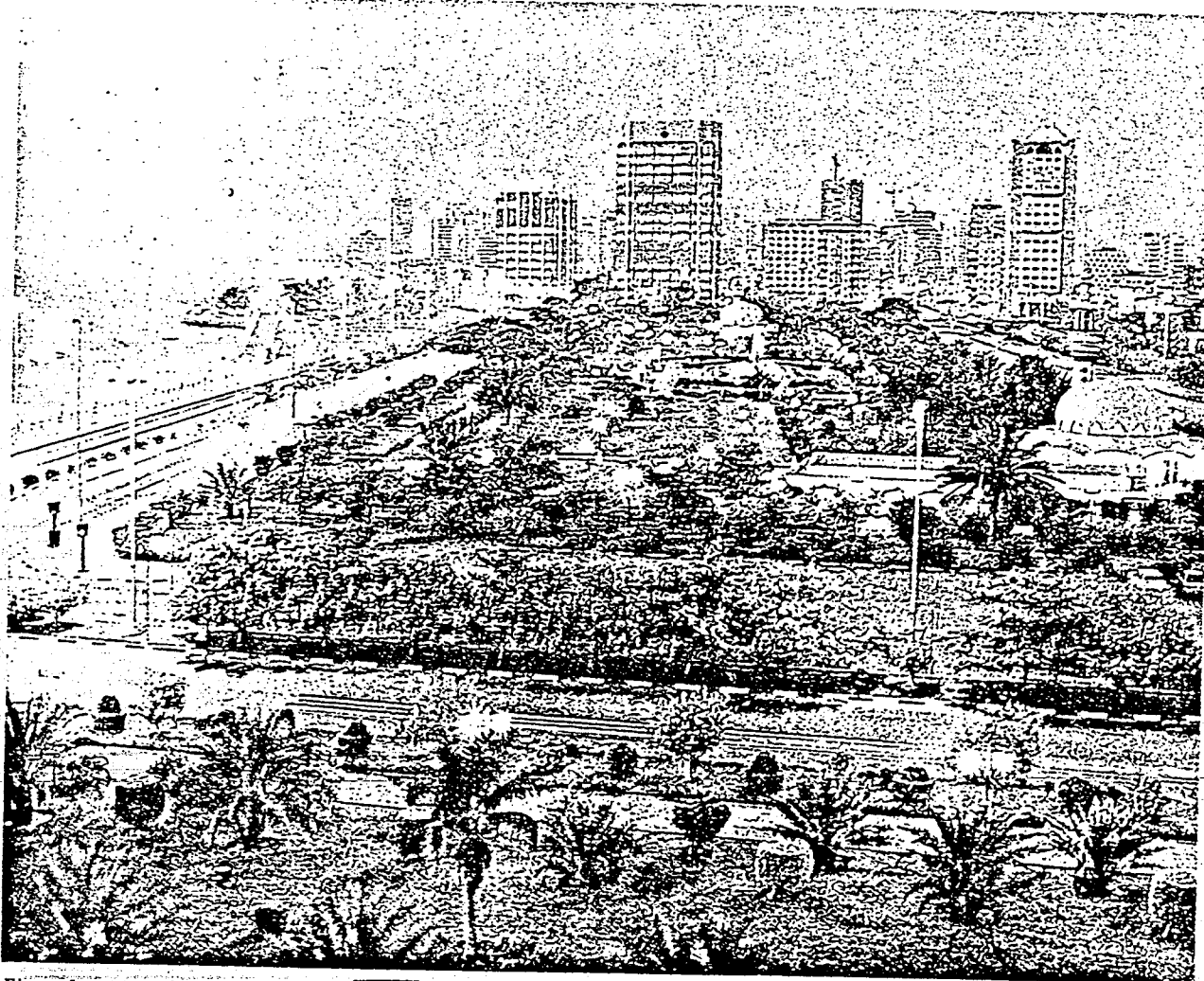


Figure 5. A view of Abu Dhabi at night

Abu Dhabi's ruling Al Nuhayyan family, a branch of the Al Bu Falah clan of the Bani Yas tribe, traces its origins to the Liwa Oasis. Originally bedouin, they established themselves in the Al Buraymi Oasis during the 18th and 19th centuries. Before the discovery of oil in the late 1950s, control of the water resources of the inland oases was the economic base of Al Nuhayyan power

Abu Dhabi and established itself along Dubayy Creek during the 1830s. Dubayy's excellent port attracted merchants from Iran and India during the 19th and 20th centuries, and the emirate had a large non-Arab population even before the discovery of oil brought an influx of foreign workers. Commerce gave the Maktum family a secure economic base

Dubayy. Fiercely independent, Dubayy is the most open and energetic emirate in the federation. Dubayy's ruling Maktum family, a branch of the Al Bu Falasah clan of the Bani Yas tribe, migrated from

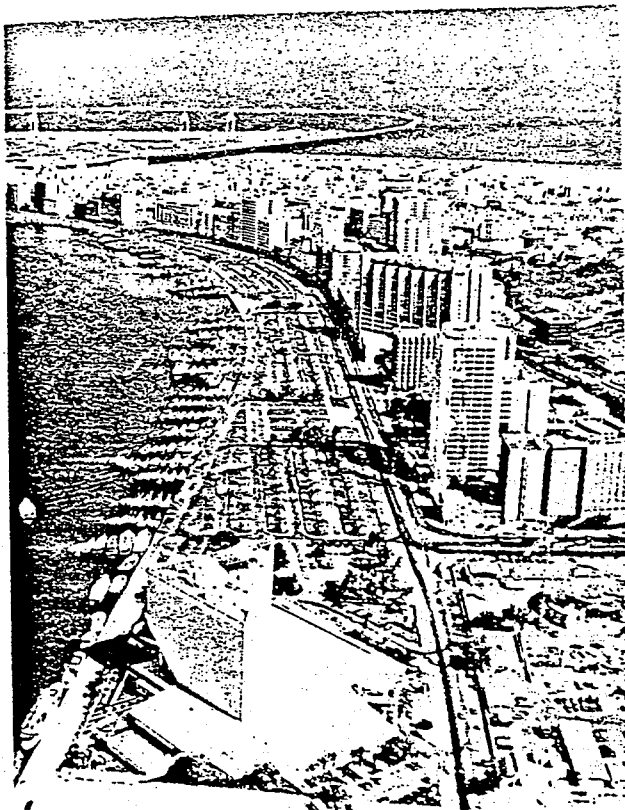


Figure 6. Dubai city sprawls along Dubai Creek.

[REDACTED] Dubai guards its independence—especially on economic matters.

[REDACTED] Dubai's considerable oil reserves and strong commercial sector help it retain its independence. Much of Dubai's nonoil income comes from reexporting goods.

[REDACTED] Dubai maintains its own small armed forces.

The Five Northern Emirates. Lacking substantial oil revenues, Abu Dhabi's poor relations, the five smaller northern emirates—Sharjah, Ra's al Khaymah, 'Ajman, Umm al Qaywayn, and Al Fujayrah—are limited in terms of internal development and influence within the federation. Their financial dependence on the richer emirates, particularly Abu Dhabi, ties them to the federal institutions. Their small size and populations help the emirates retain their traditional character.

'Ajman, Umm al Qaywayn, and Al Fujayrah—the smallest and poorest emirates—are sometimes likened to villages with administrative functions exercised by only a handful of people. Most administrative reforms undertaken in the last two decades were prompted by the need for coordination with federal development projects. Administration in these emirates is complicated because they have enclaves inside the territory of other emirates. The enclaves characteristically contain villages, date palm oases, or grazing areas.

Sharjah. The emirate of Sharjah, which once enjoyed a special status as the center of the British presence in the Trucial States

[REDACTED] Some observers have characterized Sharjah as a center of relative "progressivism" in the conservative federation, largely because of the ruler Shaykh Sultan's support for Pan-Arab and modern ideas. In 1975 Sharjah was the first emirate to adopt the UAE flag and transfer control of its militia, police, and courts to federal jurisdiction.

3125 [redacted] Sharjah borrowed heavily in anticipation of revenues from the Haqi Mubarak oilfield, which left it in debt when the field's output was less than expected.

3125 [redacted] *Ra's al Khaymah.* Located on the shores of the Strait of Hormuz, Ra's al Khaymah has one of the longest political histories of the seven emirates. The emirate was a major trading outpost during the eastward expansion of Europe's trade routes in the 16th century. Its ruling family, the Qasimis, has controlled the Strait of Hormuz since the 1700s. Ra's al Khaymah delayed joining the UAE federation until 1972, hoping that the discovery of oil would provide the financial basis for Ra's al Khaymah to remain autonomous, a hope that was quickly dashed.

3125 [redacted] Ra's al Khaymah enjoys a modest income from agriculture, minerals, oil, and gas.

3125 [redacted] Ra's al Khaymah enjoys an average rainfall adequate to support dates, dairy products, and truck farming. Oil production amounted to about 10,000 b/d in 1990.

3125 [redacted] *Al-Fujayrah.* Al-Fujayrah is financially stable and has modest plans to improve its economy. The emirate has diversified development projects and does not invest beyond its budget limitations.

3125 [redacted] Like Ra's al Khaymah, Al-Fujayrah has a modest income derived from mineral wealth, but it does not have oil or gas. Al-Fujayrah sees itself as an ideal trade location, outside the Strait of Hormuz but well placed as a center for Gulf trade.

3125 [redacted] Al-Fujayrah courts Iranian commercial ties.

3125 [redacted] in June 1991 delegations from both sides discussed ways to facilitate trade.

3125 [redacted] *'Ajman and Umm al Qaywayn.* The emirates most dependent on the largess of Abu Dhabi and Dubayy are 'Ajman and Umm al Qaywayn.

Society

3125 [redacted] Oil wealth has radically changed the face of UAE society. Once one of the world's poorest areas, the UAE's per capita GNP now is among the world's highest, and the government has established a generous welfare state. Before oil production began, UAE society was overwhelmingly rural and nomadic. Today the UAE's population is preponderantly urban, and excellent roads connect remote locales throughout the federation. [redacted] many tribesmen found employment with oil companies when production began, and considerable numbers later found employment in construction or service industries. Universal education, an active local press, and television continue to broaden the horizons of Emirians.

3125 [redacted] Some elements of the bedouin way of life linger alongside the changes brought by oil wealth.

3125 [redacted] Tribes remain the basic political units, and the extended family remains the UAE's strongest and most cohesive social unit. Decisionmaking in the UAE often follows the Arab tradition of consensus. [redacted] marriages continue to be arranged within a small social grouping. An ideal marriage is between a young man and his uncle's daughter. Youths exposed to Western culture generally return home to their families and remain obedient to their elders, who almost universally lack formal education.

Religion

3125 [redacted] The majority of UAE citizens are Sunni Muslims, with a Shia minority comprising roughly 16 percent of the native population. The majority of Emirian Shias

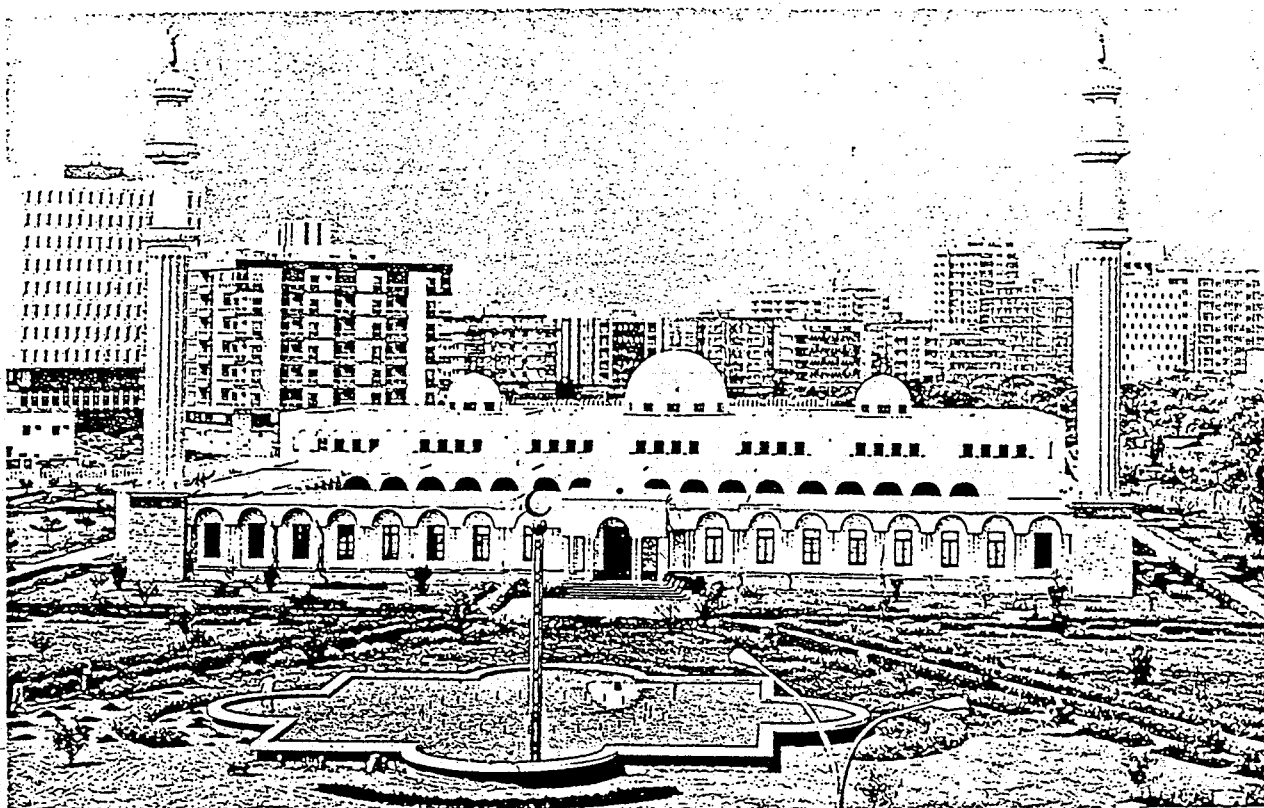


Figure 7. The Grand Mosque in the city of Abu Dhabi

reside in Dubayy or Sharjah and are of Iranian descent. [REDACTED] most Emirians identify themselves as Muslims first—as opposed to Arabs or Emirians. Islam is the dominant identity, and [REDACTED] the UAE has had few sectarian clashes. [REDACTED]

The UAE Government follows Islamic guidelines but adopts a more tolerant approach than most other Gulf states. Everyone in the UAE, including visitors, theoretically is subject to Islamic law, which forms the basis of the UAE's judicial code. UAE President Zayid sets a tone for tolerance. [REDACTED]

[REDACTED] Zayid donated the land for several Christian churches in Abu Dhabi. In addition, leading government religious officials do not try to curtail non-Muslim religious activities. [REDACTED]

Women in the UAE

The traditional role of women in the UAE is showing small signs of change. [REDACTED] women in the UAE traditionally have played a crucial role within the home, but they have generally exercised little influence in politics or business. UAE women, however, are increasingly well educated, and many no longer accept arranged marriages. The number of UAE women who work outside the home, while small, is steadily increasing. In the fall of 1990 the UAE admitted a small number of women into its military, the first such move by any Gulf state. [REDACTED]

Table 1
UAE: Population and Labor Force
Characteristics

	Emirians	Foreigners
Population, 1990 (in thousands)	451	1,803
Labor force, 1990 (in thousands)	98	553
Average annual population growth rate, 1975-91 (percent)	5.6	20
Birthrate, 1987 (per 1,000 population)	47	20

Human Resources

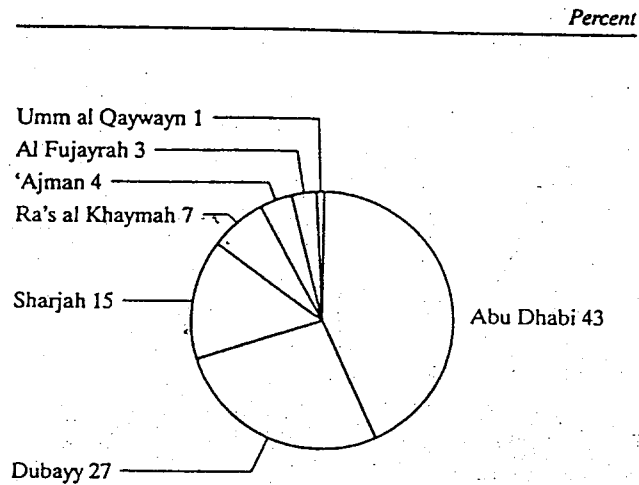
the population of the United Arab Emirates, including foreign workers, is approximately 2.3 million, about 70 percent of whom reside in the emirates of Abu Dhabi and Dubayy.² The UAE's population is growing at an annual rate of almost 5.7 percent reflecting the continued immigration of large numbers of foreign workers. The period of rapid population growth began in the mid-1970s as a result of the expansion of the UAE economy, which attracted large numbers of foreign laborers.

Foreigners in the UAE outnumber native Emirians by about 4 to 1, and the expatriate share of the population has been increasing. The population of foreigners has quadrupled since 1975, while that of Emirians has only doubled. UAE laws preventing most semiskilled and unskilled foreign workers from bringing their families into the UAE have led to a concentration of male expatriates in the working-age population.

The UAE is almost totally dependent on foreign workers, especially in the private sector. Over 80 percent of the UAE's labor force in 1990 were

The Iraqi invasion of Kuwait caused large population displacements in the region which have not subsided.

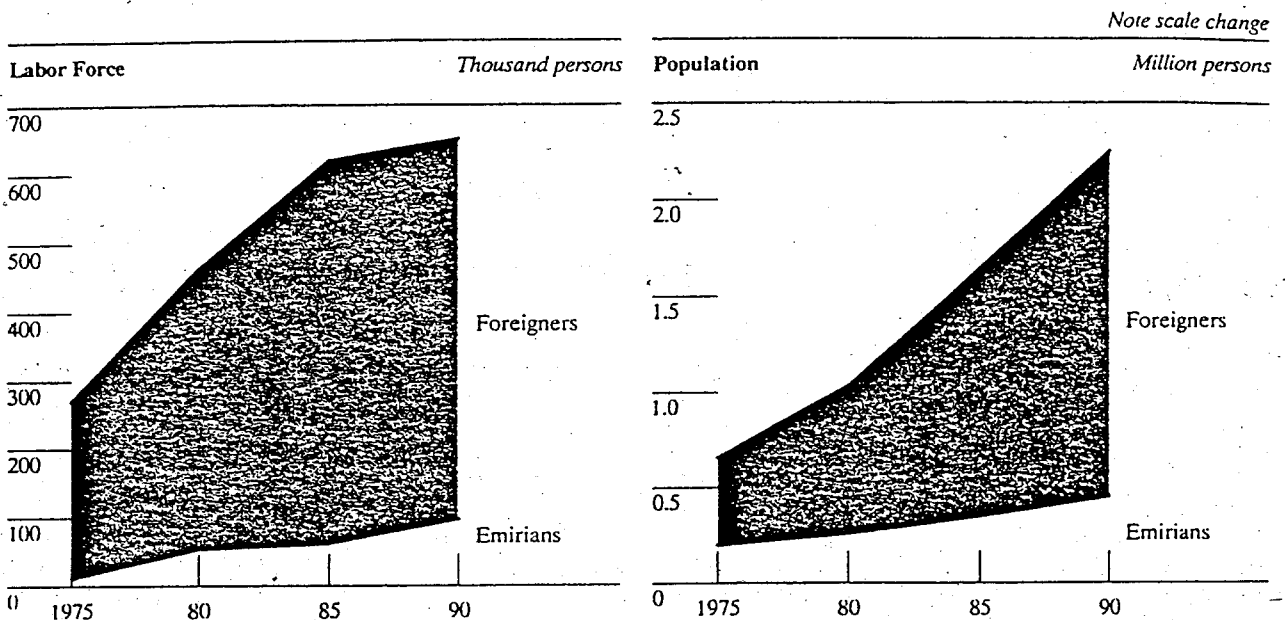
Figure 8
UAE: Population by Emirate, 1980



foreigners. The UAE's reliance on foreign workers grew along with its economy, primarily because the indigenous work force was so small. The UAE expatriate population was estimated in 1980 to be 1,803,000, and its distribution was as follows:

Source Country	Number
Total	1,803,000
Bangladesh	45,000
Egypt	90,000
India	750,000
Iran	110,000
Iraq	10,000
Jordan	11,000
Pakistan	350,000
Palestinians	45,000
Philippines	75,000
Somalia	85,000
Sri Lanka	100,000
United States	4,000
Yemen	60,000
Other	68,000

Figure 9
UAE: Labor Force and Population Growth, 1975-90



63 Nearly three-quarters of the UAE's foreign workers are Asians, employed primarily in semiskilled and unskilled jobs. In 1987 more than 60 percent of the work permits issued to foreigners were given to Indians and Pakistanis.

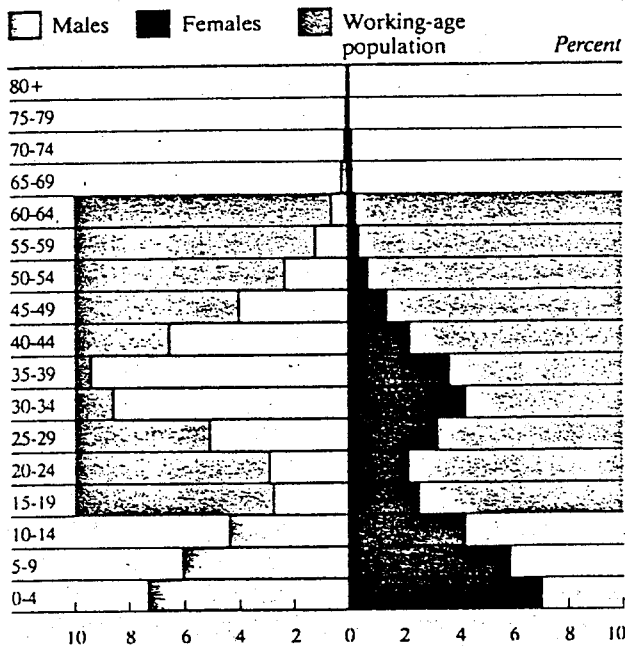
The majority of Emirians work for the government because it offers higher prestige than does a private business. Many important positions in both the private and public sectors, especially ones requiring specialized knowledge, are occupied by skilled expatriates. Cultural attitudes continue to discourage most Emirian women from working despite the UAE's official encouragement of participation by women.

Foreign workers are attracted to the UAE because there are no taxes, health care is subsidized, and most jobs come with either free or subsidized housing.

Highly skilled professionals—primarily Westerners—often earn premium salaries while wages for unskilled workers are quite low. There is no minimum wage. Many illegal workers hold jobs in the UAE despite the close monitoring of the foreign labor force. The Ministry of Labor regularly deports thousands of illegal workers each year.

The government is trying to reduce the UAE's dependence on foreigners, but it has met with only limited success. The 1980 Federal Labor Law requires that businesses and government ministries train and employ Emirians whenever possible. Recently the Ministry of Labor established a system for registering

Figure 10
UAE: Population Structure, 1990^a



^a The laws restricting the movement of families to the UAE have resulted in an unusually high proportion of males in the population. Sixty-two percent of UAE residents are males. This is most evident in the working-age population (15 to 64). In the 25 to 44 prime working-age category, for example, males outnumber females by more than 2 to 1.

Table 2
UAE: Labor Force Characteristics, 1990

Percent

Sector	Emirians	Foreigners
Total	15	85
Agriculture/fishing	18	82
Community/personal services ^a	29	71
Construction	10	90
Finance	10	90
Manufacturing	3	97
Mining ^b	12	88
Trade	8	92
Transportation/communications	8	92
Utilities	21	79

^a Government employees are subsumed within this sector.

^b Includes the petroleum sector as well as quarrying.

are ineligible for citizenship under existing rules. The Gulf crisis soured many Emirians concerning Palestinians and other expatriates who were perceived as being pro-Iraq and heightened fears that expatriates could be a fifth column for the federation's enemies.

Blas

Emirians seeking employment. After a prospective worker registers, the Ministry seeks appropriate vacancies in the private sector and "suggests" candidates to businesses. The government also encourages a high birthrate among Emirians, which is now at least 3 percent, by paying nationals an \$80 monthly allowance per child.

Although the UAE's economy and military would not function without large numbers of expatriate workers, they are second class in status. Many expatriates in the UAE have spent their entire adult lives there but

Education

Education standards among the indigenous population in the UAE are rising rapidly and probably will remain high for the foreseeable future. Before 1953 the UAE's only schools were a few attached to mosques. Since then, educational facilities have been established throughout the country for both citizens and temporary residents. The literacy rate among



Figure 11. Women in the work force. Although no exact figures are available, the UAE Planning Ministry reported that in 1985 only 25 percent of women—both foreigners and Emirians—of working age were in the labor force, and men outnumbered women in the labor force 10 to 1.



Figure 12. Graduates at UAE University convocation.

the education of many UAE nationals in the United States. Approximately 2,000 UAE nationals studied in the United States in 1990.

Three technical colleges not associated with the UAE University were established in 1988 to provide Emirians with the managerial and technical skills required to wean the federation from its dependence on expatriates. Admission to these institutions is open only to UAE nationals. Men's and women's campuses are open in Abu Dhabi, Al 'Ayn, and Dubayy, and other branches are in the planning stage. Total enrollment in 1990 was 1,200.

UAE citizens reached 68 percent in 1990. the new, Western-trained Minister of Education plans to require the study of English at the elementary level.

The UAE University in Al 'Ayn is the country's only four-year university. students come from all seven emirates. Ninety percent of the university's 8,000 students are UAE nationals. Less than 10 percent of the faculty are citizens—most are from other Arab countries, especially Egypt.

Many UAE students study overseas. such major companies as the Abu Dhabi National Oil Company and the Abu Dhabi Investment Authority

'Ajman University College provides educational opportunities for expatriates. The college offers both technical and general studies. In 1990 the student body was 1,500, with most of the students being Arab expatriates. both Oman and Saudi Arabia have provided money to help 'Ajman fund the college.

Press

b1
b3

The leading UAE daily publications include:

- *Al-Ittihad*, a semiofficial publication whose editor in chief is the federation's Deputy Minister of Information [REDACTED]

Bla

[REDACTED] The paper receives a subsidy from the Ministry of Information. Nationals from Abu Dhabi, attracted by the newspaper's local coverage, comprise the bulk of the readership.

- *Al-Bayan*, the semiofficial publication for Dubayy. This paper receives subsidies and guidelines from Dubayy's government similar to those *Al-Ittihad* receives from Abu Dhabi but focuses on trade and economic issues, reflecting Dubayy's commercial emphasis. Its typical reader is an Arabic-speaking national or expatriate, well educated, and a businessman.

- *Al-Khalij*, based in Sharjah, is distributed throughout the UAE. Traditionally described as Pan-Arab [REDACTED]

b1
b3

Al-Khalij is regarded as the newspaper most read by UAE intellectuals [REDACTED]

The paper does not receive a regular subsidy [REDACTED]

- The most widely circulated English-language papers in the UAE are the *Khaleej Times* and the *Gulf News*. [REDACTED] the papers dominate the market of English-speaking expatriates, primarily Pakistanis and Indians. Neither paper receives a subsidy [REDACTED]

Transportation

The UAE has one of the world's most modern road networks. The country boasts some 1,000 kilometers of divided expressways and about 800 kilometers of

two-lane hard-surface roads. Secondary routes of crushed stone, improved earth, or natural surfaces connect major routes to remote nomadic areas. A lack of bypass routes causes congestion, and shifting sand dunes occasionally restrict overland passage [REDACTED]

Seven major ports and numerous secondary ports facilitate the flow of goods in the UAE. Mina' Jabal 'Ali in Dubayy is the largest port in the Middle East, with approximately 14,600 meters of deepwater berth wharfage and alongside depths of 8 to 14 meters. Mina' Zayid, another major commercial port and naval base, is located in Abu Dhabi. Other main ports include Mina' Rashid, Mina' Khalid, Mina' Saqr, Al Fujayrah, and Khawr Fakkan. [REDACTED]

Modern and efficient airfields facilitate substantial passenger traffic and consumer trade. [REDACTED]

[REDACTED] the emirates have 12 major airfields, five of which handle international traffic. [REDACTED]

Bla 4/5

A sixth international airfield is under construction at Al 'Ayn. Several secondary airfields are used primarily by oil companies [REDACTED]

Communications

The Emirate Telecommunication Corporation operates the UAE's sophisticated public communications system. A mixture of coaxial cable and microwave radio relays makes up the network, and three submarine cables connect the UAE to Bahrain, Qatar, Pakistan, and India. The UAE operates three ground stations associated with the INTELSAT communications satellite organization. [REDACTED]

The Ministry of Information and Culture directs all radio and domestic television broadcasting in the UAE. Five different facilities broadcast in Arabic, English, and Urdu on medium-wave, FM, and short-wave radio. Some 150,000 registered television sets receive programming from two television services that transmit four programs: two in Arabic, one in English, and one in Arabic, English, and French. Satellite dishes are becoming increasingly common, especially among wealthier Emirians. [REDACTED]

Political System

The UAE federation, 20 years old in 1991, is a loose confederation of traditional shaykhdoms. Each of the seven ruling families effectively governs its emirate with little interference from the federal government. Abu Dhabi and Dubayy, the two largest, most populous, and wealthiest emirates, cooperate on foreign policy and several federationwide programs but retain separate economies, militaries, and police forces. The northern emirates are bound to the federation by financial need but are reluctant to yield political sovereignty.

The emirate of Abu Dhabi dominates the UAE. Abu Dhabi holds the UAE presidency, directs foreign policy, and is the federation's leading oil producer. Of the other six emirates, only Dubayy—the UAE's commercial center and a significant oil producer in its own right—has successfully steered an independent course from Abu Dhabi on security and economic matters. Dubayyan officials hold the positions of UAE Vice President and Prime Minister.

Decisionmaking within each emirate is primarily confined to the ruling family. The rulers of each emirate hold power on the basis of their dynastic position, and their legitimacy comes from a system of tribal consensus. The UAE has no political parties or significant opposition groups.

Decisionmaking in the UAE

Politics in the UAE is characterized by a complex dynamic between the ruling families of the seven member emirates. Each emirate ruler seeks to retain his autonomy while reaping the economic and security benefits of the federation. Because their strong financial position gives them economic leverage over the poorer emirates, the ruling families of Abu Dhabi and Dubayy assume a leading role in the federation.

Each of the seven ruling families is without rivals for power in its own emirate. Relatives of the rulers hold virtually all prominent positions in government and business in each emirate and in the federal government. All the ruling families, along with most major merchant families, are closely linked to each other

through marriage, a traditional method of ensuring that potential rivals are part of the extended family. All the emirate leaders are isolated from public criticism. Abu Dhabi's and Dubayy's leaders are especially secure, being able to satisfy the economic wants of their people.

Lacking significant petroleum reserves, the smaller northern emirates rely on Abu Dhabi to subsidize their economies.

The federal government apparatus has little impact on the sovereignty of the individual emirate rulers or their interactions with each other. The UAE's 1971 Provisional Constitution spells out federal succession issues only, leaving individual emirates to deal with local succession according to their own practices.

the federation's legislative and executive branches and key ministries have little influence on local decisionmaking. For example, the Ministry of Finance cannot collect revenue, and the Ministry of Petroleum has little influence on UAE oil production.

Cooperation Limited Between Abu Dhabi and Dubayy

The leaders of Abu Dhabi and Dubayy have different agendas and do not cooperate on many important security and economic matters. Abu Dhabi's wealth and prosperity are based almost entirely on petroleum, while Dubayy has a strong commercial sector.

Economy

The discovery of oil in the late 1950s transformed the UAE into one of the world's wealthiest countries. Per capita income in the UAE is now among the highest in the world. In 1989 per capita income for UAE nationals was \$12,100 a year.

The UAE has used its oil wealth to provide benefits for its citizens such as free health care and education and to develop the federation's infrastructure.

The strength of the UAE economy is closely linked to conditions in the international oil market. The UAE economy expanded dramatically with the market during the 1970s, but during the oil glut of the 1980s it contracted at an average annual rate of 2 percent. Since the 1970s the UAE has tried to diversify its economy to reduce this vulnerability, expanding into manufacturing, refining, banking, gas production, and other areas, but oil remains a more important source of income than all of these other sectors combined. The government is the largest employer in the UAE, followed by the construction industry. Other important occupations are in the petroleum and mining industries, agriculture, and fishing.

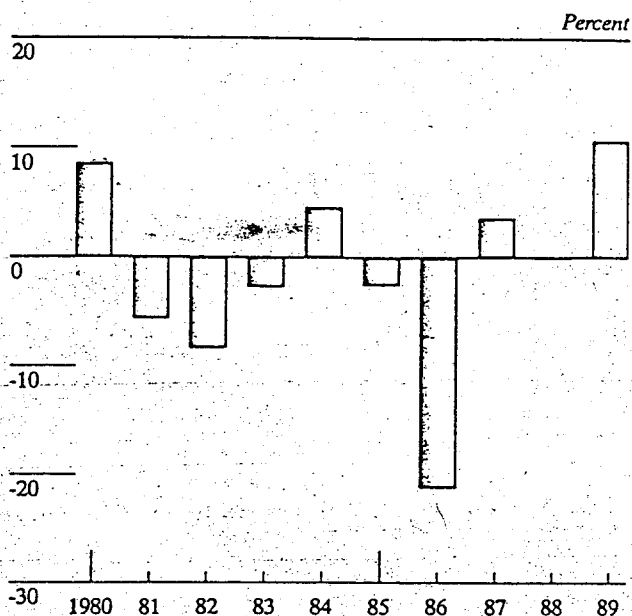
Energy Sector

Oil Industry. Oil dominates the federation's economy, and UAE leaders recognize their future prosperity depends on a stable oil market. Oil accounts for about 90 percent of government revenues and about 40 percent of GDP. The UAE had proved reserves of about 98 billion barrels in 1990—enough oil to last about 115 years at current production levels of about 2.3 million barrels per day (b/d). The UAE has generally been one of the moderates in OPEC and has tended to align its oil policy closely with that of Saudi Arabia, reflecting an interest in promoting a stable oil market. UAE policymakers generally believe oil that is too expensive or erratically priced would encourage industrial nations to search for alternative energy sources or reduce consumption through conservation, damaging the UAE's income in the long run.

Although Abu Dhabi is the source of about 80 percent of UAE oil production, each emirate sets its own oil policy, and there is little interemirate coordination of

Figure 14

UAE: Real GDP Growth, 1980-89^a

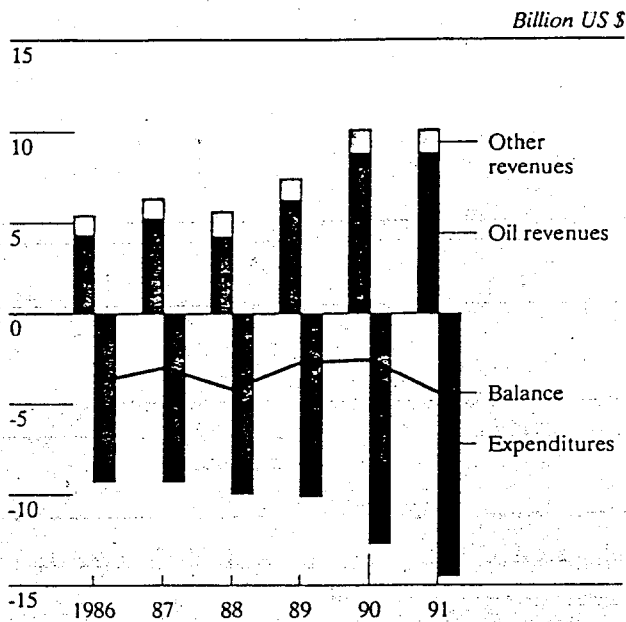


^a Economic growth in the UAE has fluctuated widely from year to year as a result of swings in the price of oil. During the 1970s, when oil revenues rose dramatically, real GDP rose at an average annual rate of over 12 percent. During the 1980s, real GDP fell an average of nearly 2 percent annually, largely because of three consecutive declines in 1981-83 and an over 21 percent fall in 1986 in response to falling oil prices.

production. The UAE's Provisional Constitution leaves control of oil production in the hands of the individual emirates. Abu Dhabi is the only emirate that sometimes reduces production to comply with the federation's OPEC quota. All the other emirates produce at full capacity.

¹ OPEC was formed before the UAE became a federation, and only Abu Dhabi was a member. Dubai, which continues to allow Abu Dhabi to act unilaterally within OPEC, maintains it is not bound by the UAE's quota and produces at full capacity.

Figure 15
UAE: Consolidated Federal Budget,
1986-91^a

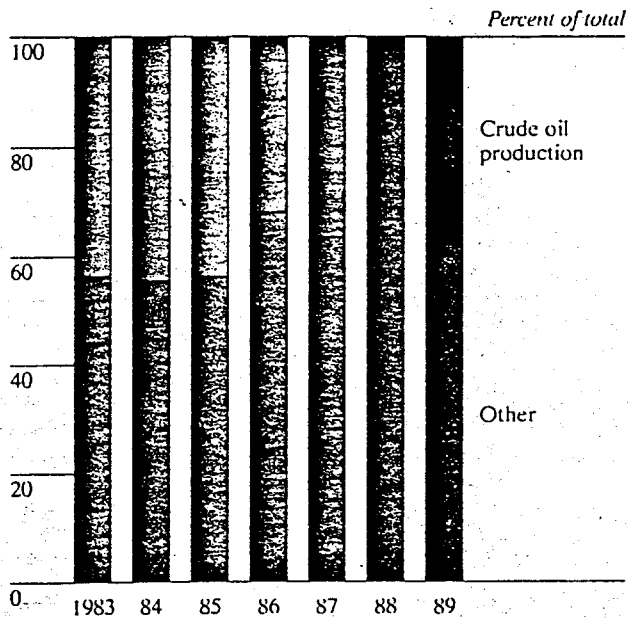


^a Controlling the budget deficit is one of the UAE's most pressing economic problems.

The government is considering selling several state-owned companies to ease budget problems and encourage more private-sector investment. [REDACTED] belt-tightening policies adopted after the sharp drop in oil prices in the mid-1980s will continue.

Abu Dhabi. Crude oil production remains the prime mover of Abu Dhabi's economy. Abu Dhabi contains 94 percent of the federation's proved reserves—some 92 billion barrels. Although official figures for Abu Dhabi's GDP are not published, [REDACTED] Abu Dhabi's revenues from oil production generate about one-third of the UAE's GDP. In September 1991,

Figure 16
UAE: Share of GDP, 1983-89



Abu Dhabi produced about 1.95 million b/d, a rate it probably will sustain at least for the next few years.

Dubayy. Oil represents about 60 percent of Dubayy's GDP. Crude oil production in Dubayy averaged roughly 400,000 b/d in 1991, which is the limit of its production capacity. Dubayy's reserves—about 4 billion barrels—are relatively modest when compared to Abu Dhabi's and would last about 30 years if there are no additional major discoveries.

The Northern Emirates. Unlike Abu Dhabi and Dubayy, the northern emirates have small oil reserves. Sharjah's first oil discovery in 1972—the offshore

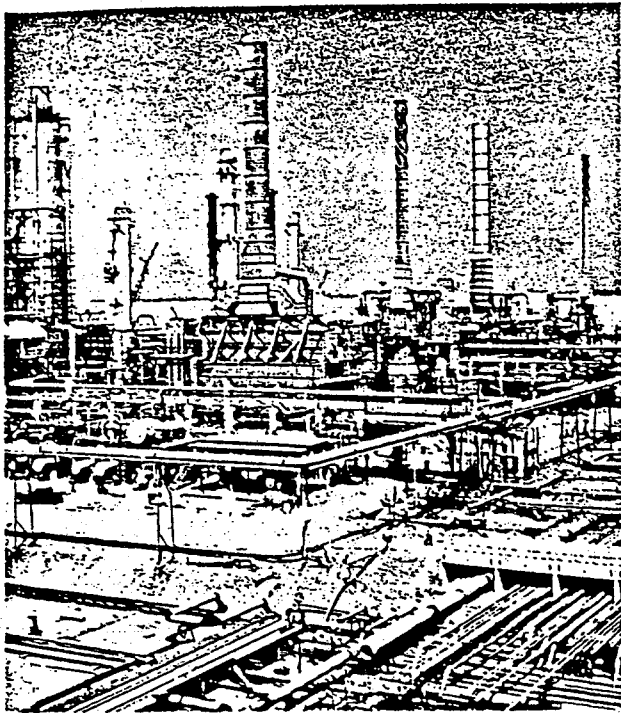
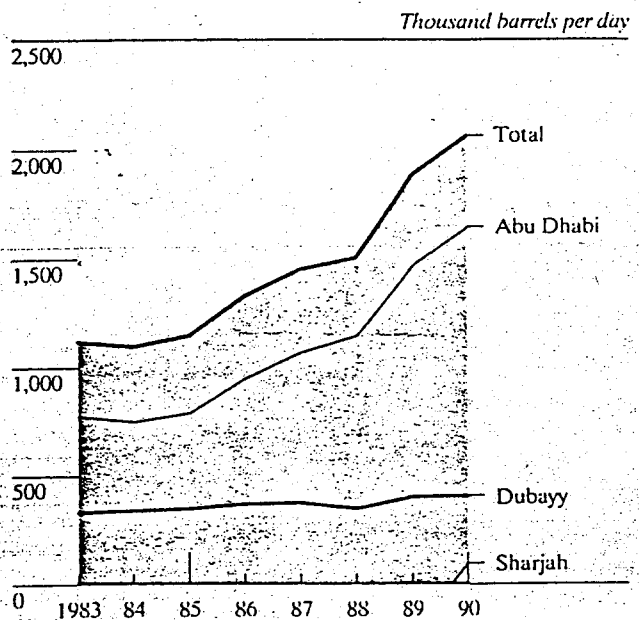


Figure 17. Oil production facilities in Abu Dhabi.

Figure 18
UAE: Crude Oil Production, 1983-90^a



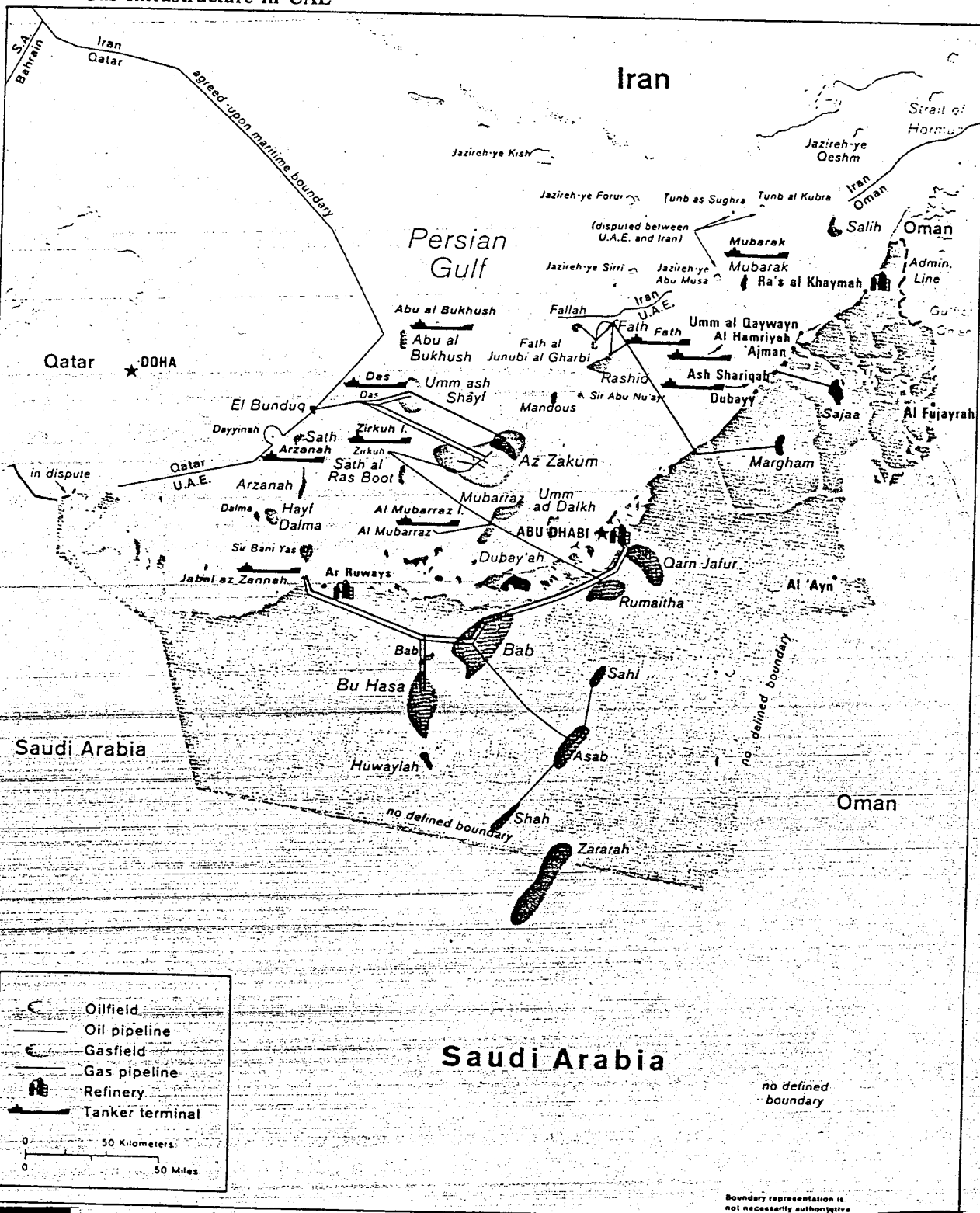
^a Excludes natural gas liquids.

Haql Mubarak field—led to a flurry of euphoric development spending in the mid-1970s, but output has been disappointing. Half of the field's net revenues go to Iran, which claims that part of the field is in its territorial waters. Of the rest, 20 percent go to Sharjah, 20 percent to *Umm al Qaywayn*, and 10 percent to Ajman. Sharjah currently produces about 36,000 b/d, including condensates. *Umm al Qaywayn*, like Sharjah, was disappointed that its 20-percent share of the Haql Mubarak field did not provide great wealth. *Ra's al Khaymah* struck oil in 1983 at the Salih field, which is located about 80 kilometers southwest of the Strait of Hormuz just inside the offshore boundary with Iran. Production from the field in 1990 was about 10,000 b/d. *Al Fujayrah* produces no oil or gas, but [redacted] is optimistic about prospects along the Gulf

of Oman coast. *Ajman* would like to become involved in the petroleum industry beyond its 10-percent share of the Haql Mubarak oilfield and is seeking to obtain money for a 180,000-b/d oil refinery, which would be the largest in the UAE [redacted] 63

Gas. With about 354 trillion cubic feet, the UAE has about 5 percent of the world's proved gas reserves. Relative to the other emirates, Abu Dhabi possesses the lion's share with about 314 trillion cubic feet and is the third leading Middle Eastern producer after Saudi Arabia and Iran. Sharjah has gas reserves of about 11 trillion cubic feet, and Dubayy also has significant reserves. At current rates of production, gas reserves in the UAE would last for centuries. In July 1991 gas production averaged nearly 2 billion

Figure 19
Oil and Gas Infrastructure in UAE



cubic feet per day, and [REDACTED] this figure will increase in the coming years. [REDACTED] gas sales—mostly in the form of liquefied natural gas—will account for about 5 percent of the UAE's total exports in 1991. [REDACTED]

Refineries. The UAE's three refineries are located in Ar Ruways, Abu Dhabi, and Ra's al Khaymah. Gas-processing facilities in Abu Dhabi, Dubayy, and Sharjah can produce some 8 million metric tons of liquefied natural gas and gas byproducts. These processes also contribute byproducts used in the production of chemicals and petrochemicals at several industrial centers. [REDACTED]

Nonenergy Sector

Industry. The emirates of Abu Dhabi and Dubayy have encouraged the development of energy-intensive industries, taking advantage of their plentiful and cheap oil and gas. The federation has two chief industrial areas: Ar Ruways, 150 kilometers west of Abu Dhabi city, and Mina' Jabal 'Ali, 35 kilometers west of Dubayy city. Facilities at Ar Ruways produce fertilizer, including some 1,000 tons per day of ammonia, and some 1,500 tons per day of urea. The emirate has built a grain silo, flour mill, and animal feed complex at Ar Ruways. At Mina' Jabal 'Ali, a smelter produces some 160,000 tons of high-quality aluminum annually. This complex has a major international drydock and a large free trade zone. [REDACTED]

To diversify the economy, the government is encouraging manufacturing, which currently comprises about 10 percent of GDP. As in the oil sector, the emirates pursue their own development strategies in manufacturing. Abu Dhabi is the flagship emirate for manufacturing. Small emirate-owned enterprises manufacture cement block, pharmaceuticals, asphalt, paint, and plastics. Abu Dhabi enterprises also repair ships and mill flour. Several small private industries have been established in Abu Dhabi, including soft drink manufacturing and bottling, icemaking, and fabrication of windows, doors, and shop fittings. In

the other six emirates, manufacturing is less developed, employing less than 4 percent of the population. [REDACTED]

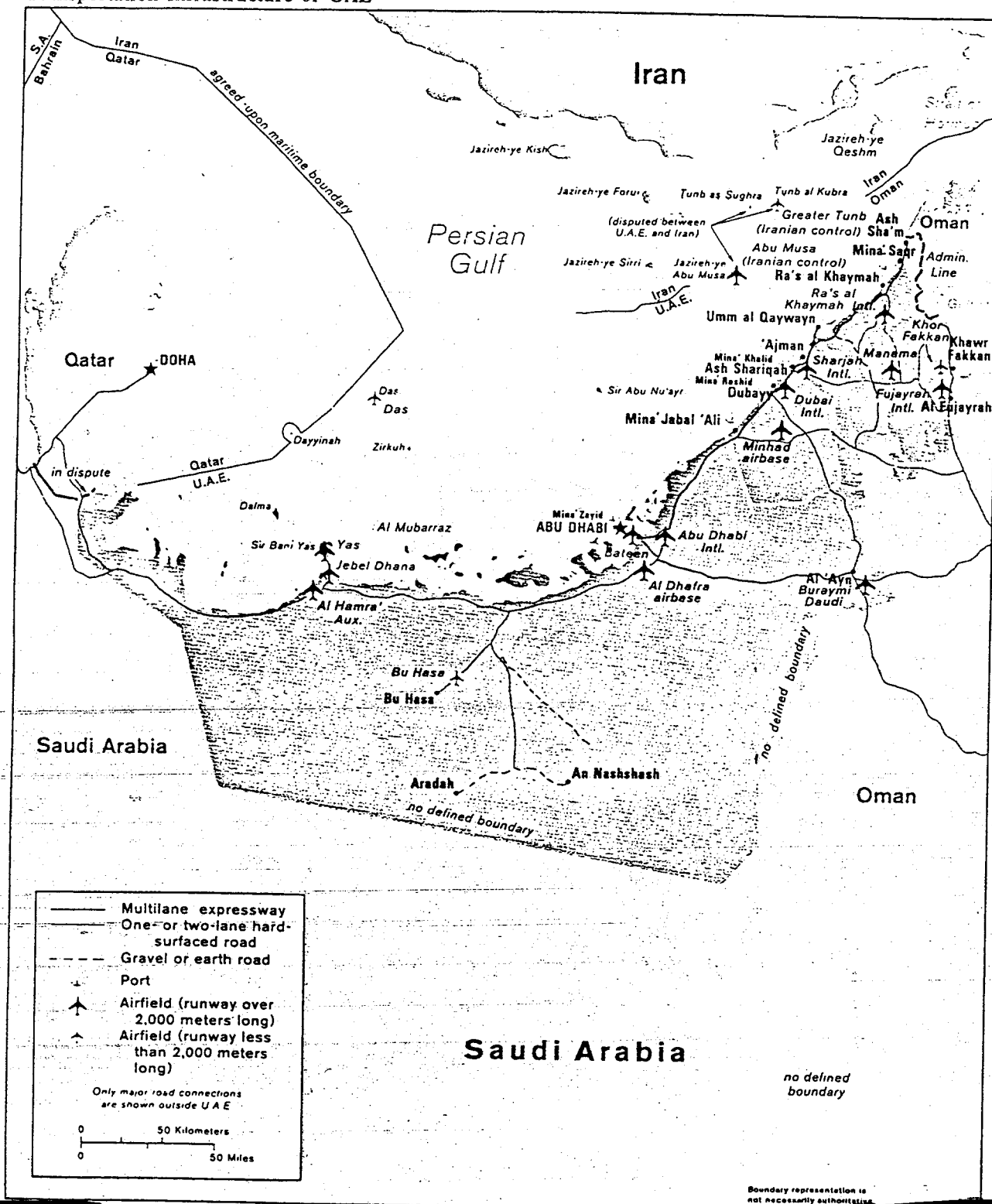
Agriculture. Several major obstacles limit the development of the UAE's agriculture sector. Water is the key constraint. Underground water resources—estimated at 10 billion cubic meters—are being depleted at a rate of 700 million cubic meters per year, [REDACTED] and agriculture accounts for about three-quarters of total water usage. Poor soil quality and extreme climatic conditions limit the area suitable to agriculture. The small size of UAE farms, price fluctuations, poor emirate-federation coordination, and ineffective marketing techniques also inhibit agricultural production. [REDACTED]

Despite these constraints, UAE agricultural production has expanded considerably since independence, and about one-quarter of the foodstuffs consumed locally are produced domestically. [REDACTED] overall food production doubled in the 1970s, and the UAE may soon achieve self-sufficiency in poultry, vegetables, and most fruit. Vegetable production rose by an average of 62 percent per year for the first eight years of independence, and cultivated land expanded by 500 percent for the period as a whole. Crops most commonly cultivated include dates, bananas, apricots, mangos, almonds, limes, and other citrus fruits. [REDACTED] b3

Most cultivation occurs in and around the Al 'Ayn Oasis and in the valleys of the Al Hajar Mountains in the eastern UAE, where sufficient water is available. By the late 1980s there were more than 16,500 farms, although most were no larger than 2 hectares. Traditional and modern irrigation systems cover about 23,000 hectares—about 60 to 70 percent of cultivated land. [REDACTED]

Fishing. [REDACTED] a little less than one-fifth of the native population of the emirates relies on the sea for their livelihood. From September until March, X

Figure 20
Transportation Infrastructure of UAE



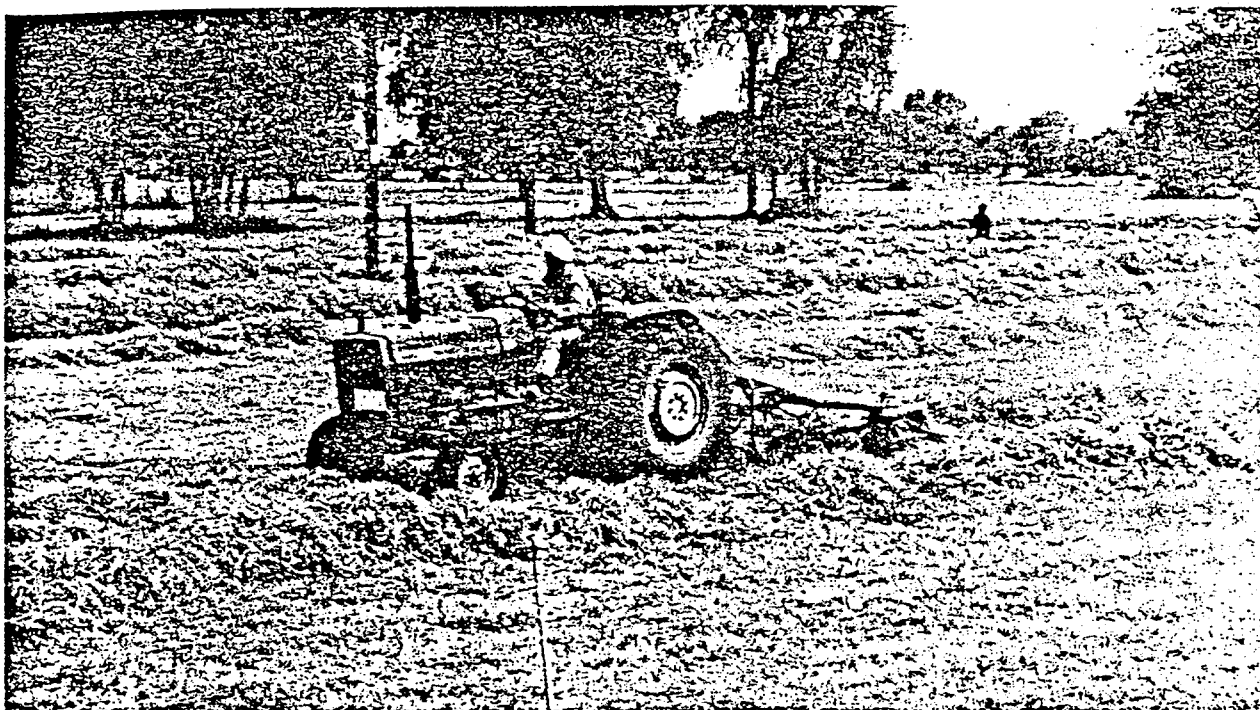


Figure 21. UAE agriculture. The Government stipulates \$50 million a year to subsidize water and irrigation systems, to provide fertilizer and seed at less than half the cost, and to make capital available to assist farmers with initial investment costs.

fish are usually abundant in the Strait of Hormuz and southern Persian Gulf. [REDACTED] survey conducted in the early 1980s recommended that the UAE upgrade the storage, berthing, and unloading facilities for its fishing industry, but little has been done primarily because the fishermen themselves have not pressed the government to change the existing system. [REDACTED]

Banking and Finance. The UAE has long enjoyed a reputation as a Gulf banking center, but bank solvency problems have led the government to reduce the number of bank branches operating in the federation. Drawn by the country's oil boom, foreign banks flocked to the UAE in the 1970s. By the end of the decade, there were 347 bank branches, 222 of which belonged to foreign banks. Overextension of credit

fueled a building boom in the late 1970s that produced more new construction than was needed, and borrowers had trouble repaying loans. A banking crisis resulted, prompting the UAE Currency Board to suspend the establishment of new offices by foreign banks. In 1981 the Currency Board's more powerful successor, the Central Bank, dictated the closure of 89 such branches and imposed a limit of eight branches per bank. [REDACTED]

Today there are over 40 banks operating in the federation, including banks from the United Kingdom, the United States, Pakistan, Iran, Canada, and India. Many of the banks have branches, notably in Abu Dhabi and Dubayy. In addition, there are local money-changing establishments known as *sarafs* operating in the marketplaces. [REDACTED]

Table 3
UAE: Trade, 1986-91

Billion US \$

	1986	1987	1988	1989	1990	1991
Exports ^a	10.3	12.3	12.2	15.7	21.1	21.4
Oil	6.9	7.9	7.6	10.4	15.6	15.3
Gas	1.2	1.1	0.9	1.0	1.0	1.1
Other and reexports	2.2	3.3	3.7	4.4	4.5	5.0
Imports	5.7	6.3	7.7	9.1	11.0	11.0
Trade balance	4.6	6.0	4.5	6.6	10.1	10.4
Net services	-2.2	-2.1	-2.1	-2.4	-4.0	-6.1

^a Because of rounding, exports may not total numbers shown.

The BCCI Scandal

On 5 July 1991, banking regulators in the United Kingdom, the United States, and five other countries froze the assets of the Bank of Credit and Commerce International (BCCI), an international bank in which the government of Abu Dhabi and its leader Shaykh Zayid were majority shareholders. The regulators acted on a Bank of England report that disclosed massive fraud in the bank. Press reporting suggests the BCCI has been involved in financial transactions linked to narcotics, terrorism, the gray arms market, tax evasion, and capital flight.

The BCCI scandal has had a large financial impact in the UAE. Roughly \$1.5 billion of private deposits—10 percent of the private-sector deposits in the UAE banking system—remain frozen in the BCCI's eight local branches. The credibility of the Bank of Credit and Commerce Emirates (BCCE), which was 40 percent owned and managed by the BCCI, also was damaged by the scandal. The BCCE has renamed itself the Union National Bank and, after direct government of Abu Dhabi support to cover the bank's funds frozen in BCCI, has been running smoothly.

Foreign Trade and Payments

Petroleum accounts for over two-thirds of the UAE's export earnings and is primarily shipped to Japan and Singapore. Other important exports include natural gas, dried fish, and dates. The UAE, especially Dubai, reexports a large volume of goods to other Persian Gulf states. Since independence, reexports have grown by an average of 15 percent annually. Reexports are being threatened as other Gulf states develop their own port facilities.

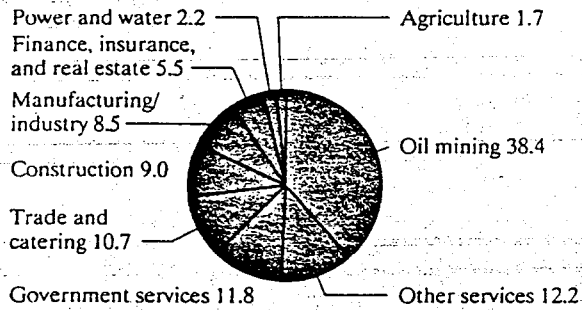
Construction goods are the UAE's largest import, averaging about 50 percent of spending on foreign products in the past few years. Other major imports include household appliances, air-conditioners, textiles, foodstuffs, and cigarettes. Items imported on a smaller scale include cosmetics, watches, and photographic equipment.

The UAE has maintained a trade surplus since it was established in 1971. Oil exports account for the majority of the UAE's trade, but government efforts to diversify the economy have led to a substantial rise in nonoil exports. Nonoil exports have increased from \$1.1 billion in 1972 to about \$3.2 billion in 1990, an average of about 16 percent growth per year. During that same period the value of oil exports grew by an average of 15 percent annually.

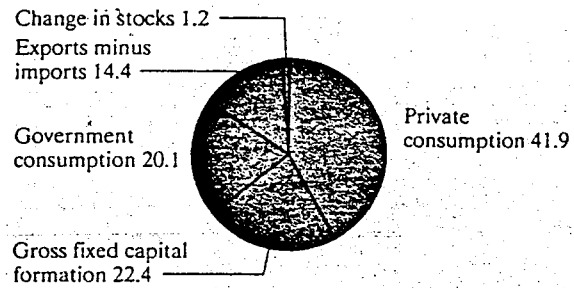
Figure 22
UAE: Economic Structure, 1989

Percent

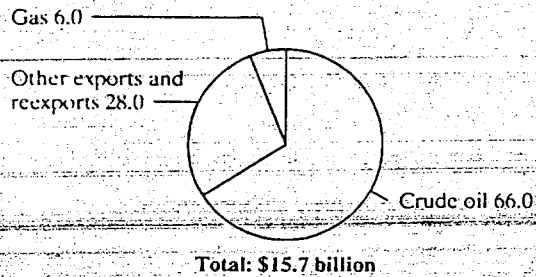
Origins of GDP



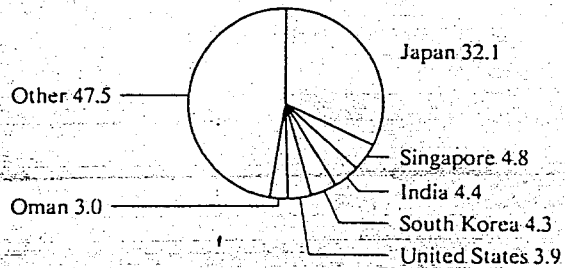
Components of GDP



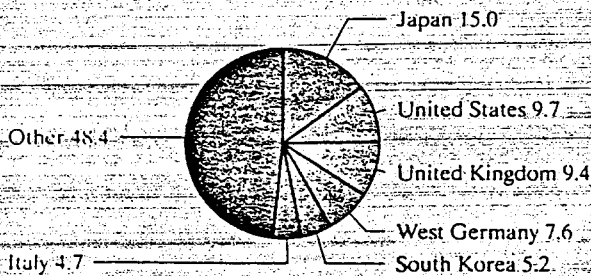
Principal Exports



Main Destinations of Exports



Main Origins of Imports



Foreign Assets

Boasting large annual current account surpluses, the UAE is a major source of capital for international markets.

X

Military

X
The 45,000-man federal armed forces of the United Arab Emirates is struggling to improve its capabilities and to modernize its arsenal.⁴ The federal armed forces participated in Operation Desert Storm but fought in no major battles. [REDACTED]

[REDACTED] the majority of the UAE's forces did not participate in the Gulf war and remain untested and unfamiliar with modern warfare. Abu Dhabi is planning major arms purchases to modernize the military, seeking better tanks, infantry fighting vehicles, artillery, and aircraft. The UAE is hoping that the United States, among others, will help its military to learn to effectively employ this equipment. [REDACTED]

B/a
The federation would like to reduce the number of expatriates in the armed forces—they comprise about 80 percent of the Army—but its small population and lack of technical expertise will preclude independence from expatriates. [REDACTED]

The Army

The UAE Army has limited capabilities and possesses obsolete equipment. With 40,000 soldiers, the UAE Army is the second largest of any Gulf Cooperation Council state. [REDACTED]

⁴ The federal armed forces is dominated by Abu Dhabi but represents the combined militaries of all the emirates in the UAE except for Dubayy. Dubayy maintains its own forces called the Central Military Command. [REDACTED]

[REDACTED] the UAE recently has received the first of 50 to 70 South African-made G-6 155-mm self-propelled artillery pieces, viewed by some as one of the best artillery pieces in the world. The military continues to evaluate different infantry fighting vehicles, but it has made no decision as to which one to purchase. [REDACTED]

[REDACTED] The complex systems will require more training than the armed forces are conducting currently. [REDACTED]

The Air Force

The Air Force, the military's highest priority during the 1980s, has about 75 combat aircraft, which are primarily intended to provide air superiority and close air support. [REDACTED]

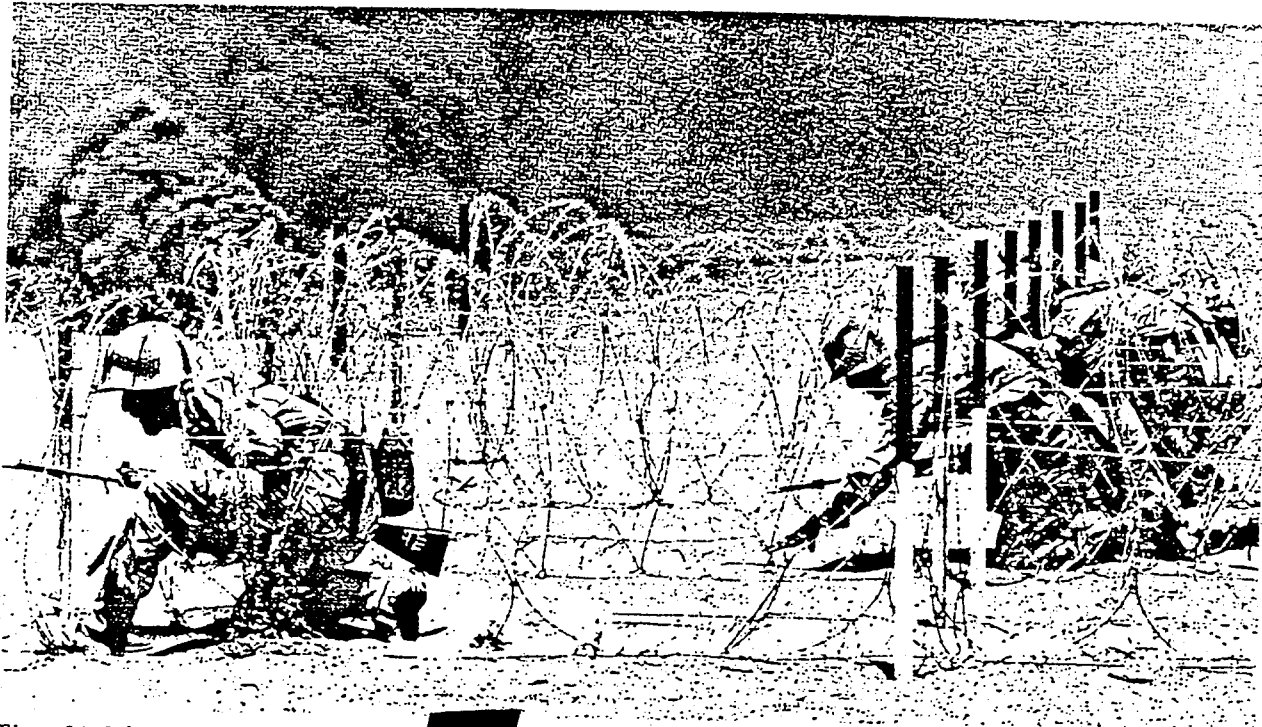


Figure 24. Infantry troops conduct maneuvers

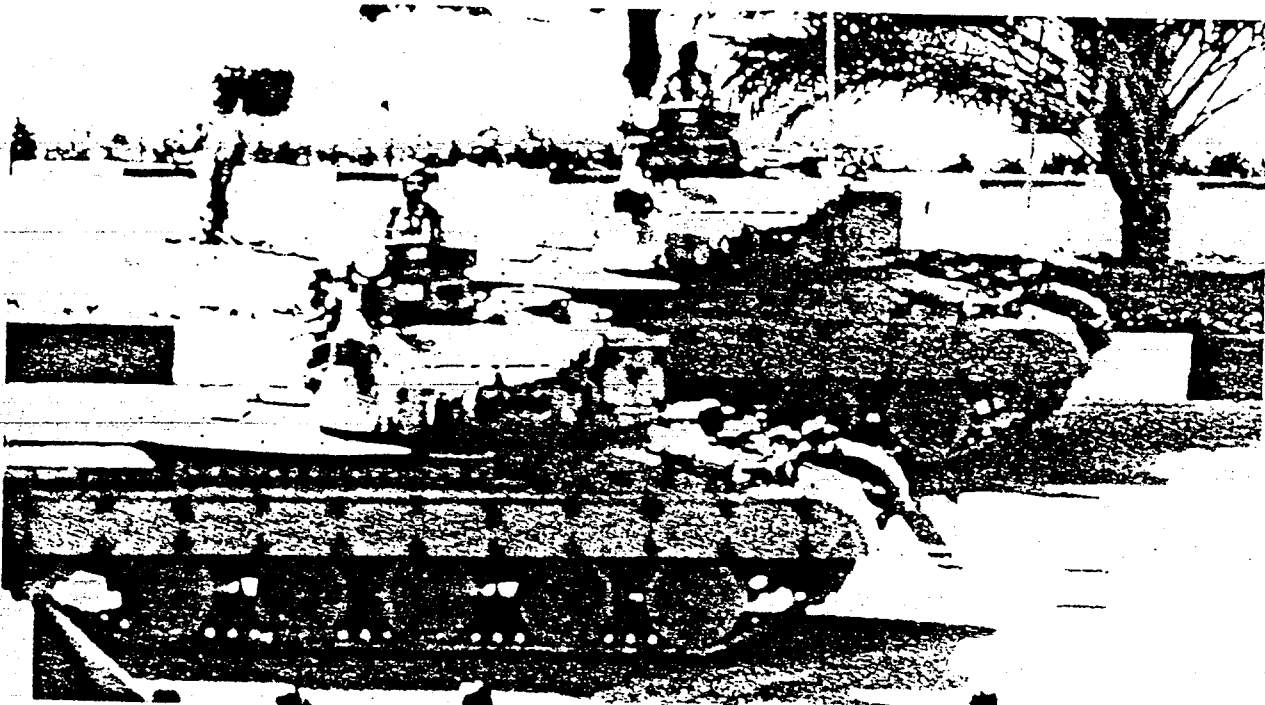


Figure 25. UAE tanks



Figure 26. The federal armed forces on parade

The Air Force has few platforms besides fixed-wing fighters.

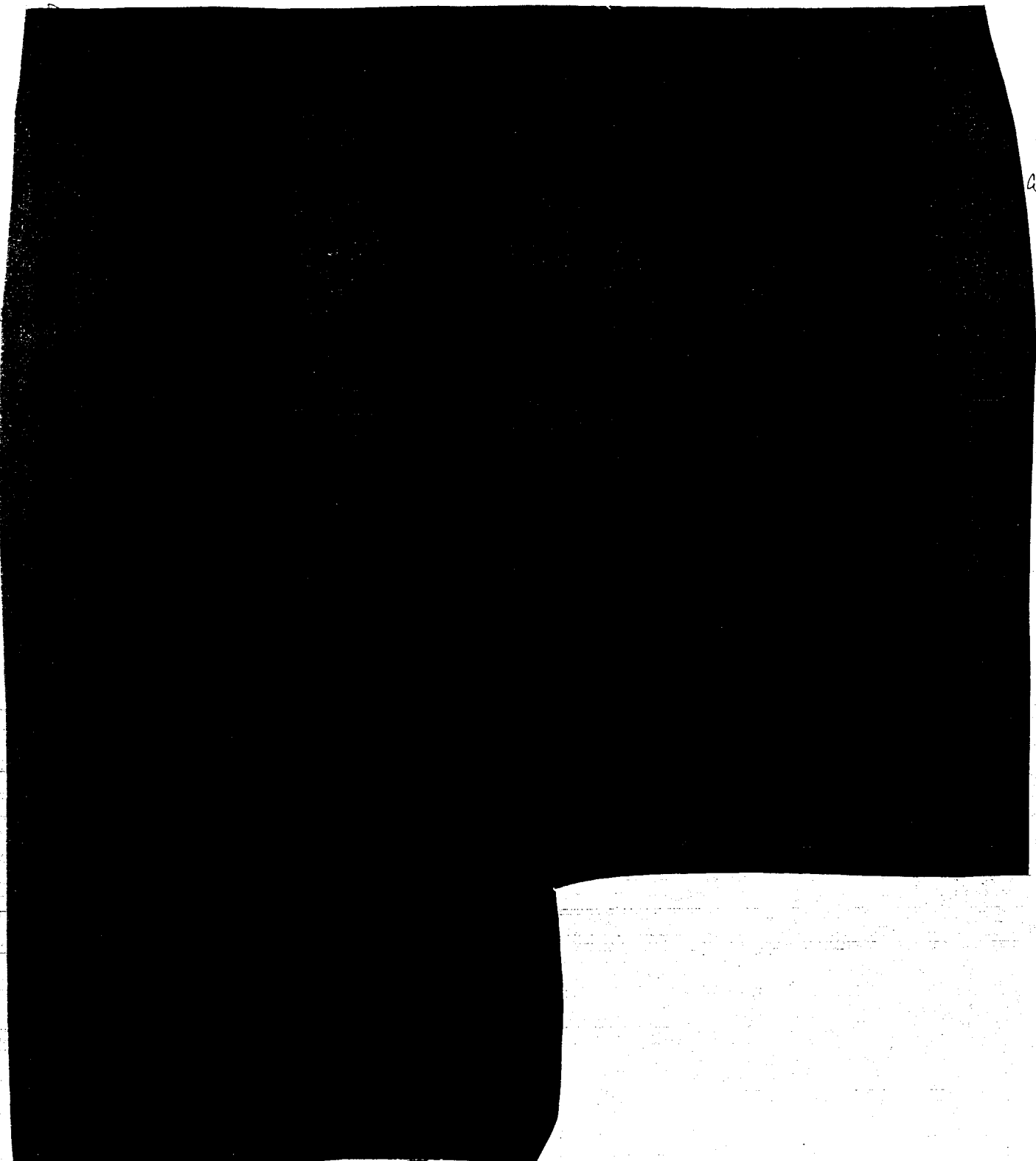


Blas

Relations

US-UAE
Relations

US-UAE
Relations

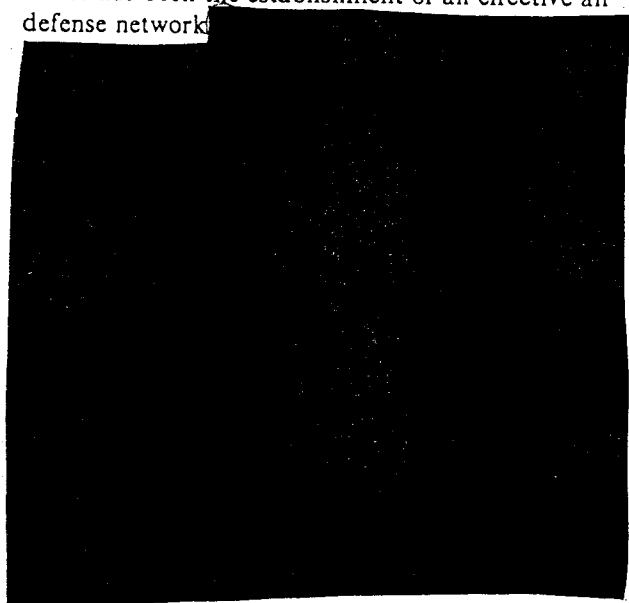


25



Air Defense

A major goal for the UAE military since the early 1980s has been the establishment of an effective air defense network



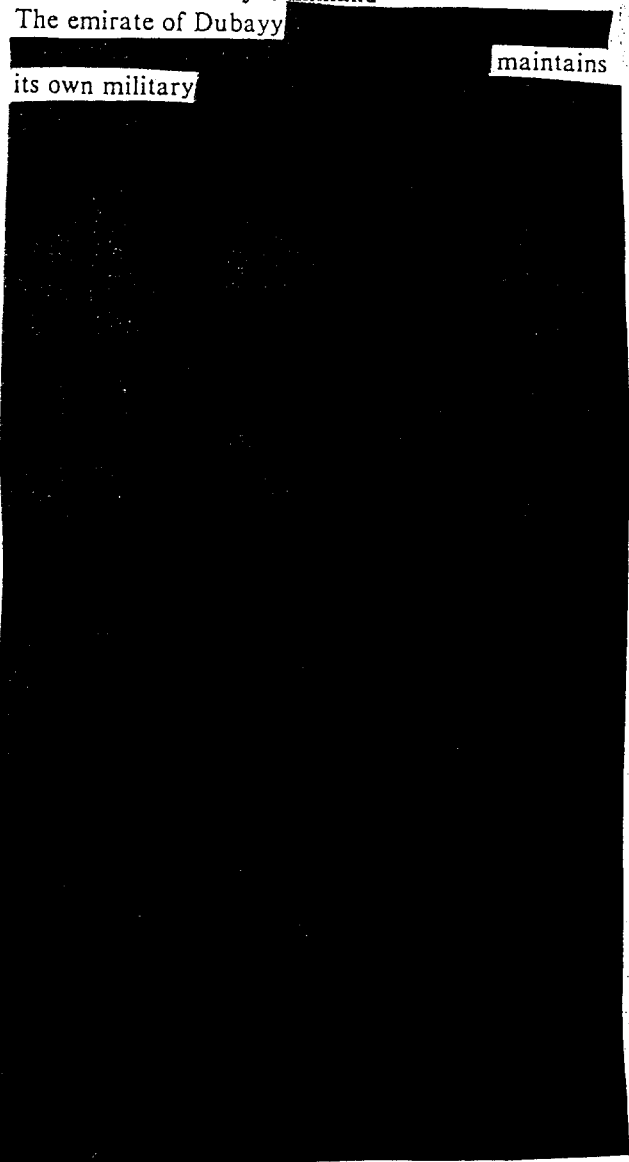
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The Central Military Command

The emirate of Dubayy

its own military

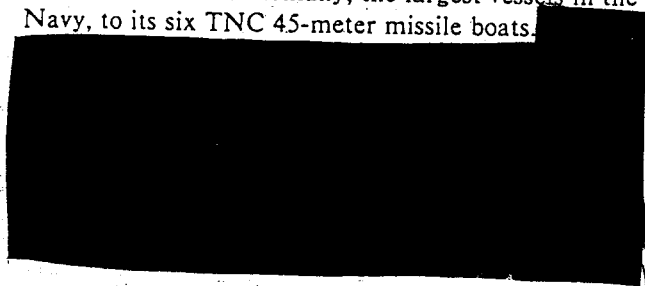
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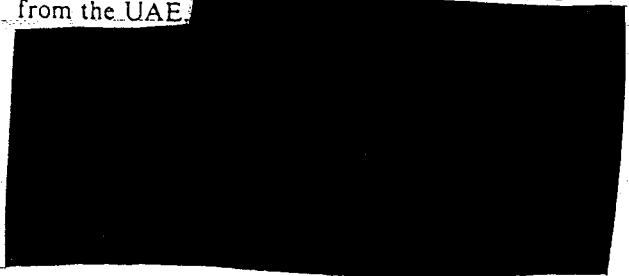
The Navy

The UAE's Navy consists primarily of eight missile boats. In late 1990 the UAE added two 62-meter missile boats from Germany, the largest vessels in the Navy, to its six TNC 45-meter missile boats.



Blas

The Navy concentrates on protecting the offshore petroleum facilities and islands, never deploying far from the UAE.



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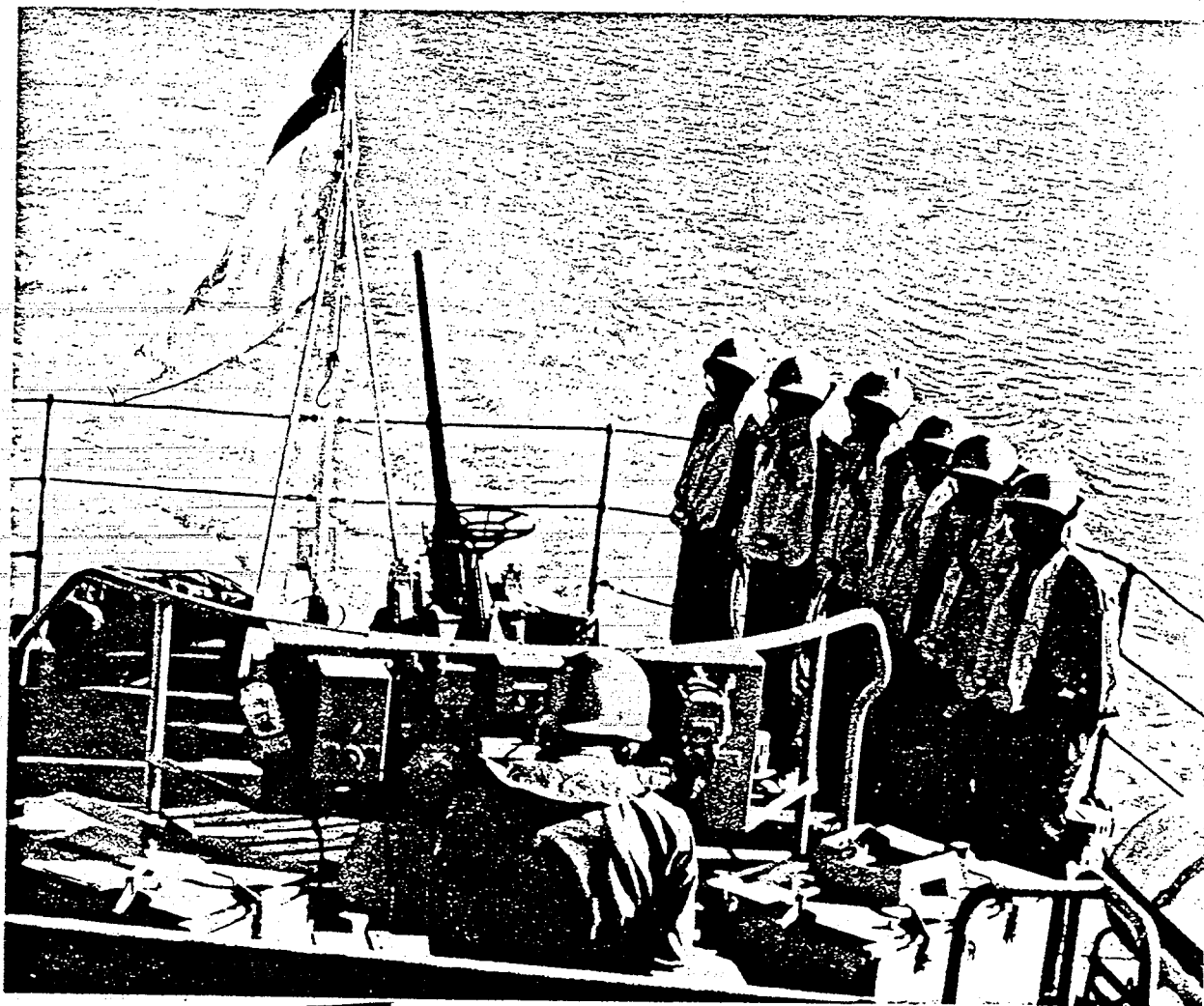
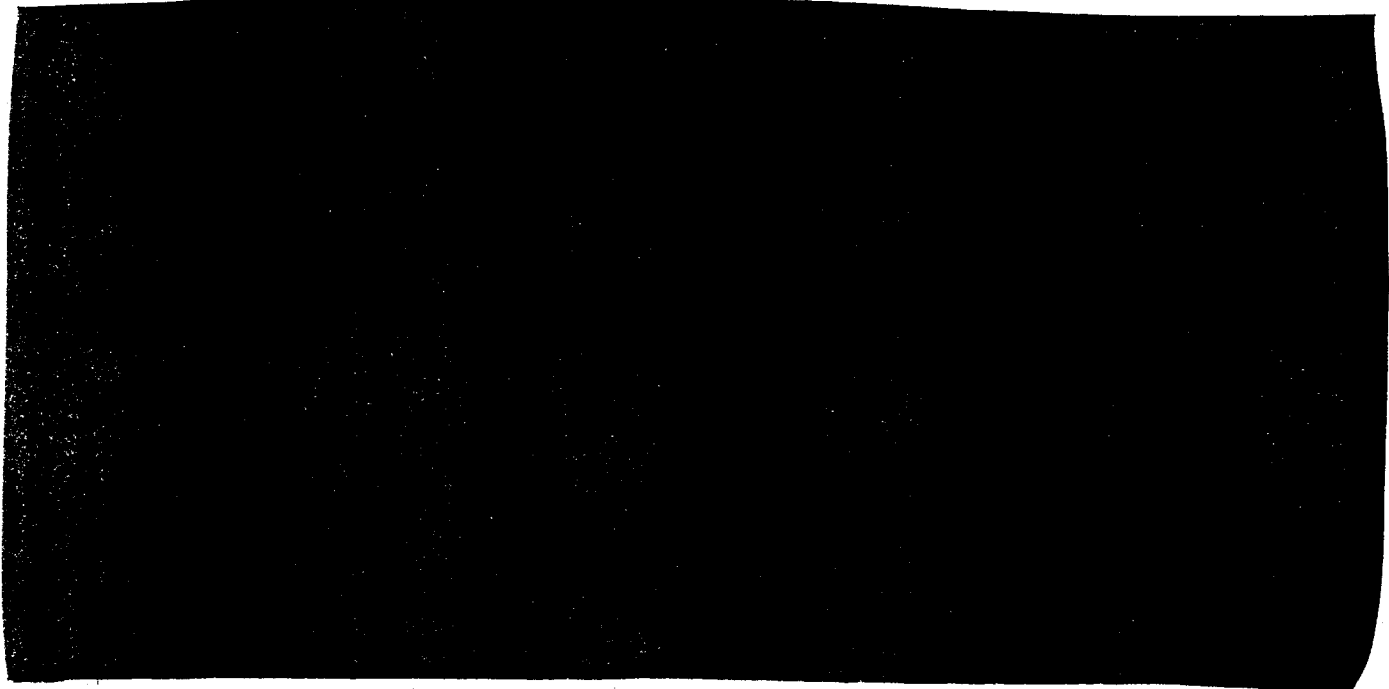


Figure-28.-The UAE Navy at sea

Ba3



Figure 29. Dubayy paratroopers demonstrate their skills on graduation day.

3/24/5

Foreign Relations

UAE foreign policy reflects the federation's commercial emphasis and strategic vulnerability. Dubayy's late ruler Rashid bin Maktum once summed up his agenda as "business first, last, and always," a fair characterization of the UAE's general priorities. When compared with its immediate neighbors, Iran or Saudi Arabia, the UAE's population is small and its military weak. [REDACTED]

These concerns lead the UAE to rely on accommodation in its foreign policy and ignore minor slights. For example, the UAE has not gone beyond rhetoric in challenging Iran's seizure of several islands that the federation claims. The UAE often lets Saudi Arabia take the lead in confronting threats to the area or works in concert with the Gulf Cooperation Council to avoid being singled out for criticism for pursuing a potentially controversial policy.³ During the Gulf war, the federation was angered by what it saw as Tokyo's meek support, but this disgruntlement did not prevail over economic concerns because it increased trade with Japan during that period. [REDACTED]

Bla 2
[REDACTED]
The emirate of Abu Dhabi dominates the federation's foreign policy, though it consults with all the emirates before making major decisions. [REDACTED]

Iran

The UAE believes Iran is the greatest threat to its territorial integrity. The federation's oil facilities,

³ The Gulf Cooperation Council was formed in 1981 by the UAE, Saudi Arabia, Qatar, Oman, Bahrain, and Kuwait. [REDACTED]

water desalination plants, power plants, airports, and ports are within easy reach of Iranian planes, helicopters, or ships. [REDACTED]

[REDACTED] Long after the Shah's demise, Iranian textbooks continue to print historical maps of greater Iran that include all of the UAE's territory. [REDACTED]

Iran has threatened the UAE's territorial integrity since the UAE was founded in 1971. Two days before the Trucial States announced they would form a federation, the Shah of Iran seized the Tunb Islands from Ra's al Khaymah and wrested effective control of the island of Abu Musa from Sharjah. Iran retains control over these islands. [REDACTED]

The UAE pursues a policy of accommodation and diplomacy with Tehran. [REDACTED] the UAE hopes that strong commercial relations and political ties to Iran will encourage Iranian moderation. [REDACTED] UAE hopes that, even if Iranian radicalism continues, such ties will avert Iranian aggression while providing the federation with a lucrative market. The UAE did not follow Saudi Arabia's lead and break diplomatic relations with Iran during the 1980s. [REDACTED]

[REDACTED] Iran is Dubayy's largest nonoil trade partner. Because of Dubayy's relatively modest oil reserves, it needs the trade with Iran to maintain its economy. [REDACTED]

Despite its preference for accommodation and dialogue, the UAE seeks to improve its military in case diplomacy fails. The UAE is modernizing its military

*Iranian Residents in the UAE:
An Unlikely Threat*

The UAE's large Iranian population poses little threat to the current regime. Approximately 120,000 to 150,000 Emirians are of Iranian origin, and at least 110,000 Iranian nationals live in the UAE. Many among both groups maintain family ties to kin in Iran. Few Emirians of Iranian descent or Iranians working in the UAE embraced the Islamic revolution in Iran or responded to calls for religious radicalism.

The descendants of the large numbers of Iranians who migrated to the UAE early in this century enjoy the full benefits of UAE citizenship and are primarily concentrated in the commercial sector. Many Iranians arrived after the revolution in 1979, and most of these oppose the Islamic government in Tehran. In addition, the Iranians residing in the UAE come from different parts of Iran, which reduces their ability to organize.

Saudi Arabia

Common security and economic concerns have slowly pushed Saudi Arabia and the UAE closer since the federation's founding in 1971. Saudi Arabia refused to recognize the federation until 1974, when Abu Dhabi and Riyadh completed an agreement on the sovereignty over the Al Buraymi Oasis.⁶ UAE-Saudi relations improved in the 1980s. Both countries shared fears of the Iranian revolution and instability resulting from the Iran-Iraq war. In addition, both countries are major oil producers with large reserves whose leaders believe high oil prices or severe price fluctuations could reduce earnings from oil in the long term. During the Gulf crisis, Saudi and UAE ground forces worked together as part of Joint Forces Command East.

⁶ Saudi Arabia, Oman, and the emirate of Abu Dhabi had long quarreled over who ruled in the Al Buraymi Oasis, which lies on their common border. In 1974 the three resolved the dispute, dividing up the villages in the area and agreeing on a common border, which has not been formally demarcated.

Iraq

The UAE perceives Iraq as much less threatening than Iran. Iraq's aggression against Kuwait frightened and angered UAE leaders, but they believe the UAE's distance from Iraq makes the prospect of an outright invasion remote.

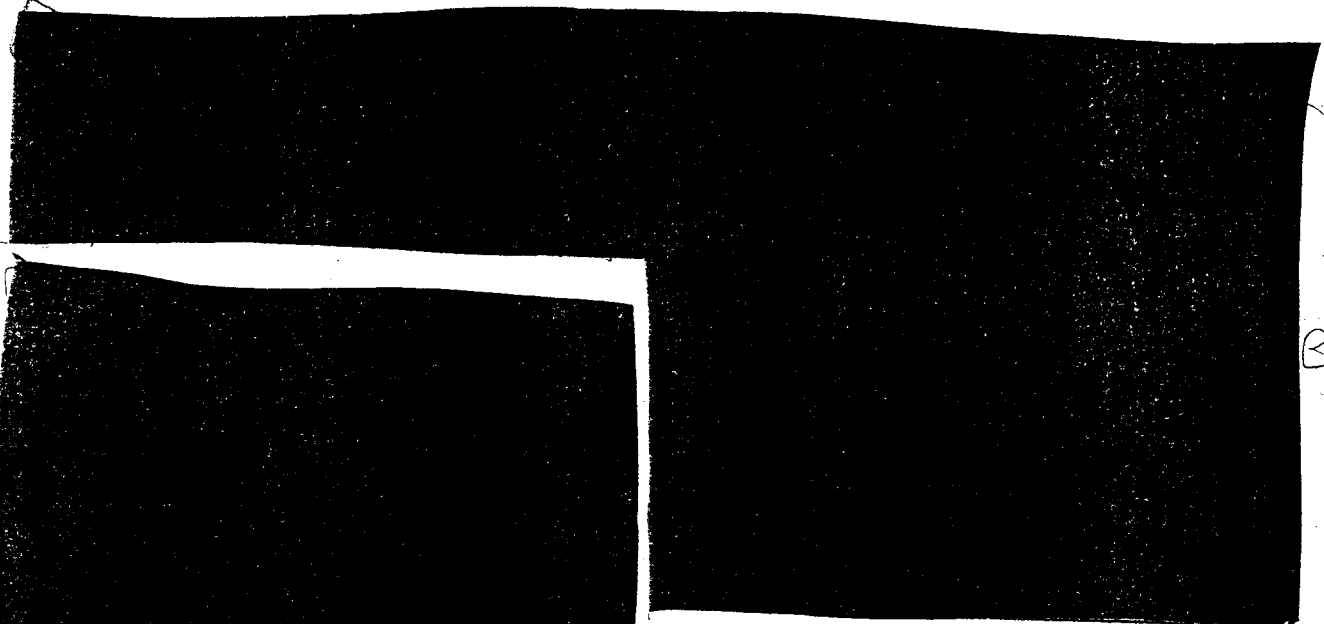
Iraq has less influence on the UAE economy than does Iran and has fewer natives residing in the emirates to stir up trouble from the inside.

The UAE is likely to shun Iraq for some time if no regime emerges there that rejects the policies of Saddam Husayn.

Emirians remember that, before invading Kuwait, Saddam threatened the UAE for exceeding its OPEC quota, and on 5 August 1990 Baghdad radio warned Abu Dhabi that, if it did not recognize the puppet government in Kuwait, Iraq would attack the UAE.

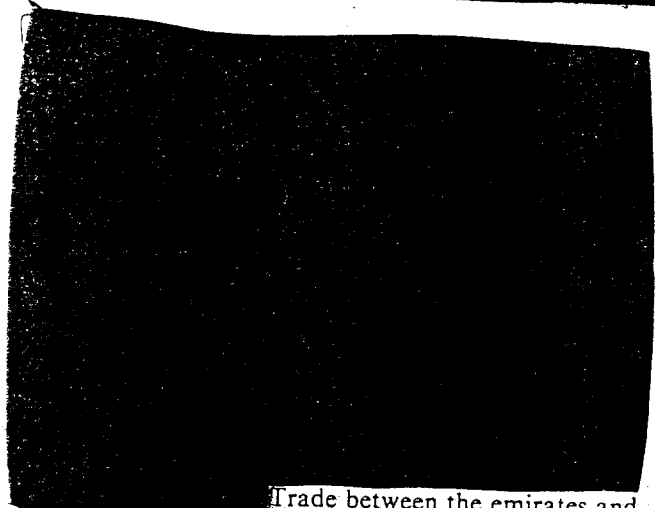
Despite the UAE's distaste for Saddam's regime, the federation sees a stable, Sunni-dominated Iraq as a useful balance against Iranian domination of the region.

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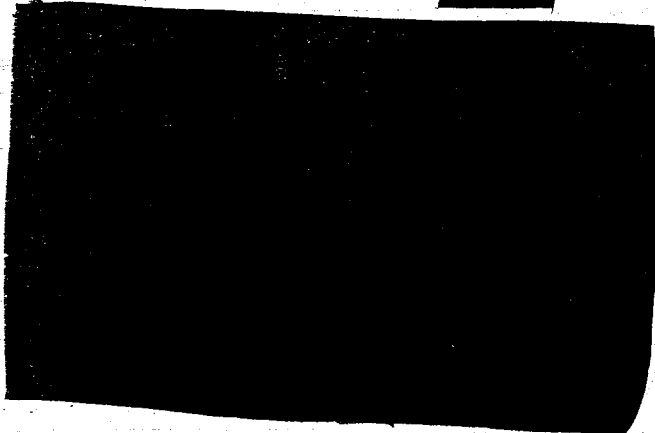
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Trade between the emirates and the kingdom is minimal, primarily confined to the reexport of goods through Dubayy.

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Finding Common Ground With Other Small Gulf States

Growing economic ties and similar political outlooks are leading the UAE and Oman to gradually overcome their past animosity. Many sources of tension during the 1970s, such as Omani cooperation with the Shah of Iran and Omani fears that Dubayy was



Figure 31. UAE-Oman relations. The burgeoning friendship between Zayid and Oman's Sultan Qaboos has facilitated their countries' rapprochement.

a visit by Zayid to Muscat in May 1991 paved the way for Qaboos to assign an ambassador to Abu Dhabi.

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Relations

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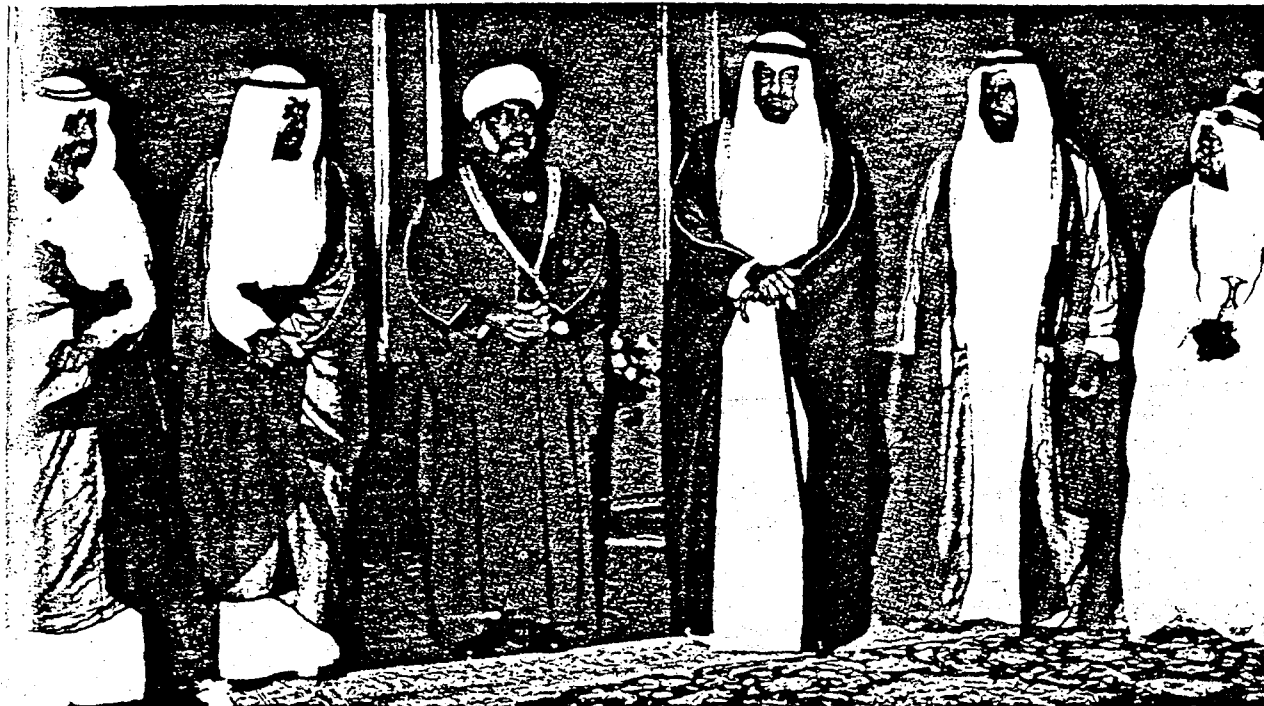


Figure 32. The heads of the GCC states.

harboring antigovernment insurgents, are no longer issues.

The UAE has worked to improve ties by providing aid to Oman, and in May 1991 the two countries agreed to exchange ambassadors.

The UAE has good working relations with Bahrain, Kuwait, and Qatar.

- UAE leaders respect Bahrain's Amir Isa and have been important contributors to Gulf Cooperation Council funds channeled to Bahrain.

The UAE strongly supported the restoration of Kuwait's ruling Sabah family to power after the invasion of Kuwait.

The UAE and the Gulf Cooperation Council

The UAE sees the Gulf Cooperation Council (GCC) as a symbolic grouping of brethren Arab leaders, similar in wealth and their perceptions of weakness, who banded together to increase their diplomatic strength.

The UAE believes its influence in multinational forums such as the United Nations and the Arab League is increased by GCC membership. UAE leaders also welcome the GCC as a forum to demonstrate publicly their unity.

Blas

with other Arabs and to enjoy the pomp that accompanies GCC meetings. The UAE tries to avoid criticism by using the GCC when it pursues controversial policies. For example, in October 1991 it backed the GCC decision to send a representative to the Arab-Israeli peace talks. [REDACTED]

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UAE leaders feel warmly toward their Arab allies in the Gulf war—especially Egypt—and probably will provide diplomatic support for them in the coming years.

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Looking Again at Other Arab Countries

Throughout the 1970s and 1980s, the UAE gave political, rhetorical, and financial backing to Arab causes. The UAE supported the 1973 oil embargo against the West, criticized Egypt for accepting the Camp David accords with Israel, and voted for the "Zionism is racism" resolution in the United Nations. The Palestinian issue was especially popular, and federation leaders donated large amounts of money to the Palestine Liberation Organization (PLO).

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The West

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Fallout from the Iraqi invasion of Kuwait is leading many Emirians to reevaluate long-established policies toward their fellow Arabs. [REDACTED]

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[REDACTED]

b1 [REDACTED] presence in the UAE [REDACTED]

[REDACTED] the UAE has increasingly worked with France to improve its armed forces. Before the Gulf war, France was the UAE's largest arms supplier [REDACTED]

[REDACTED] France was willing to sell the UAE major weapon systems and had stopped selling arms to Israel. The French also have a large commercial [REDACTED]

US-UAE Relations

From an original base of private commercial ties, cooperation between the UAE and the United States has evolved into a strong security relationship. The prompt US response to the Iraqi invasion of Kuwait convinced UAE leaders that the United States would stand beside them and that closer ties to Washington were needed to ensure the federation's security

The UAE's Importance to the United States

The United States derives direct economic and security benefits from its relationship with the UAE.

the United States dominates sales of oil industry equipment, cigarettes, and motor vehicles and supplied 9 percent of the country's total imports in 1990. The United States received 17 percent of the UAE's exports in 1990 and was the third-largest overall importer of UAE goods

The United States derives considerable indirect benefits from its relationship with the UAE. The UAE's strategic location on the Strait of Hormuz—through which much of the West's oil passes—makes it an important factor in ensuring free passage through the Persian Gulf. Politically, the UAE is often a voice of moderation in Arab councils. For example, the federation agreed with other Gulf Cooperation Council states to send a representative to the US-sponsored Arab-Israeli peace conference. The UAE also endorsed Egyptian President Mubarak's plan for ending



Figure 33. Emirians view the United States. Emirians have a mixed opinion of the United States that will limit emulation of American culture. UAE nationals admire US technology, higher education, and filmmaking. In addition, Emirians generally approved of US actions during the Gulf crisis. They are less impressed by our perceived immorality and lack of cohesive family bonds

the Arab boycott of Israel. Although the United States imports only a small percentage of its total oil from the UAE, the United States has a vital interest in denying potential adversaries control of UAE reserves, which are more than 10 percent of the world's proved resources.

The federation is negotiating a bilateral security arrangement with the United States. Such an agreement would help the United States to deter Iranian or Iraqi efforts to dominate the Gulf and would increase the security of the Strait of Hormuz.

The US-UAE Security Relationship

Strategic ties between the UAE and the United States developed slowly in the 1980s. After the Iran-Iraq war escalated in 1984, the UAE looked to the United States to help keep the region stable

The UAE's confidence in the United States was reaffirmed by the events leading up to Iraq's invasion of Kuwait. In July 1990, after Saddam Husayn threatened Kuwait and the UAE for exceeding their OPEC quotas

The US performance following the Iraqi invasion of Kuwait generated even more good will.

Operation Desert Storm proved that the United States is willing to put its citizens' lives on the line to maintain stability in the region

In the aftermath of the Gulf war, the UAE is increasingly looking to the United States for arms, joint training, and advisory support to improve its military.

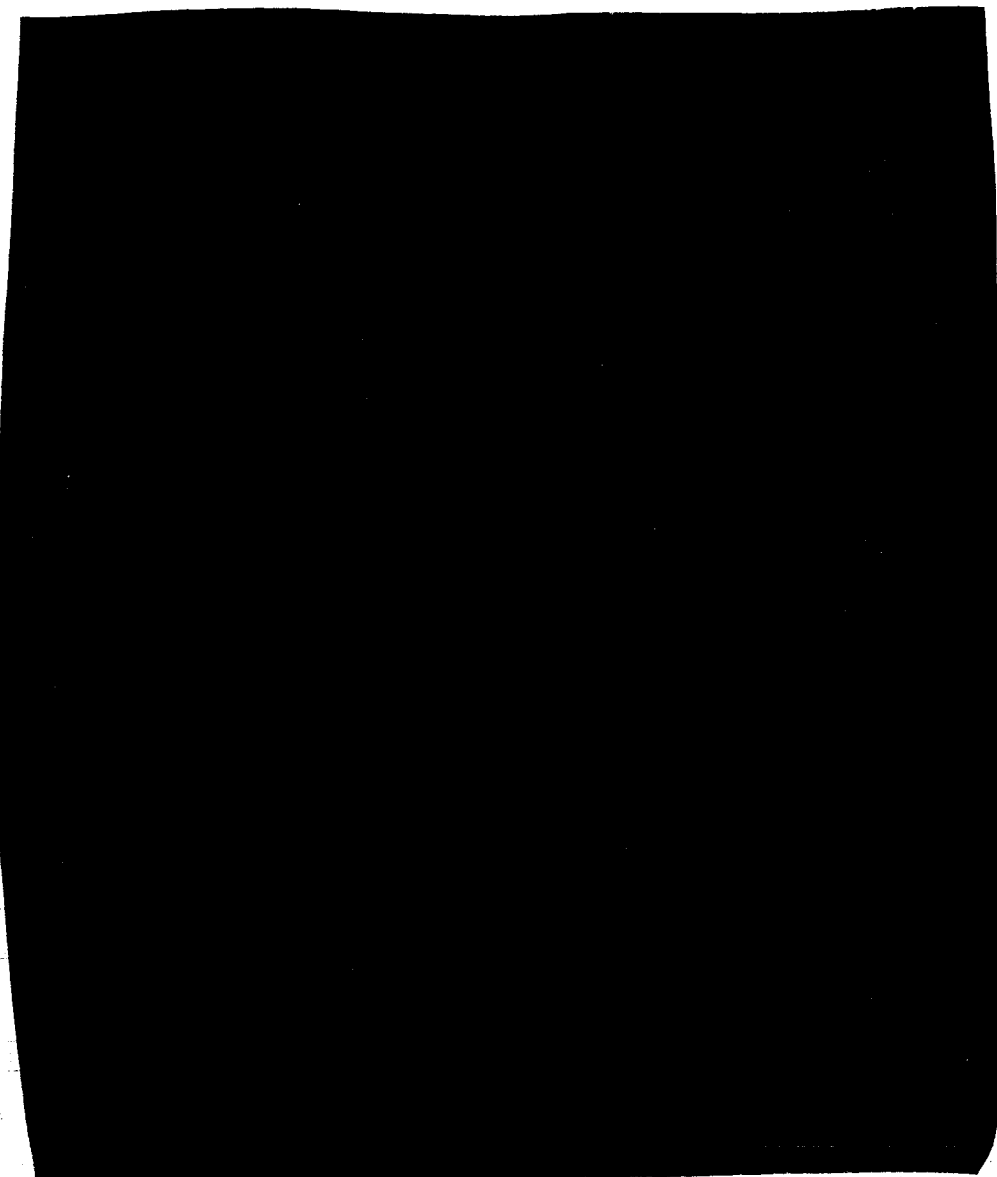
Many UAE officers have indicated a desire to study in the United States.

The UAE and the United States are discussing security cooperation

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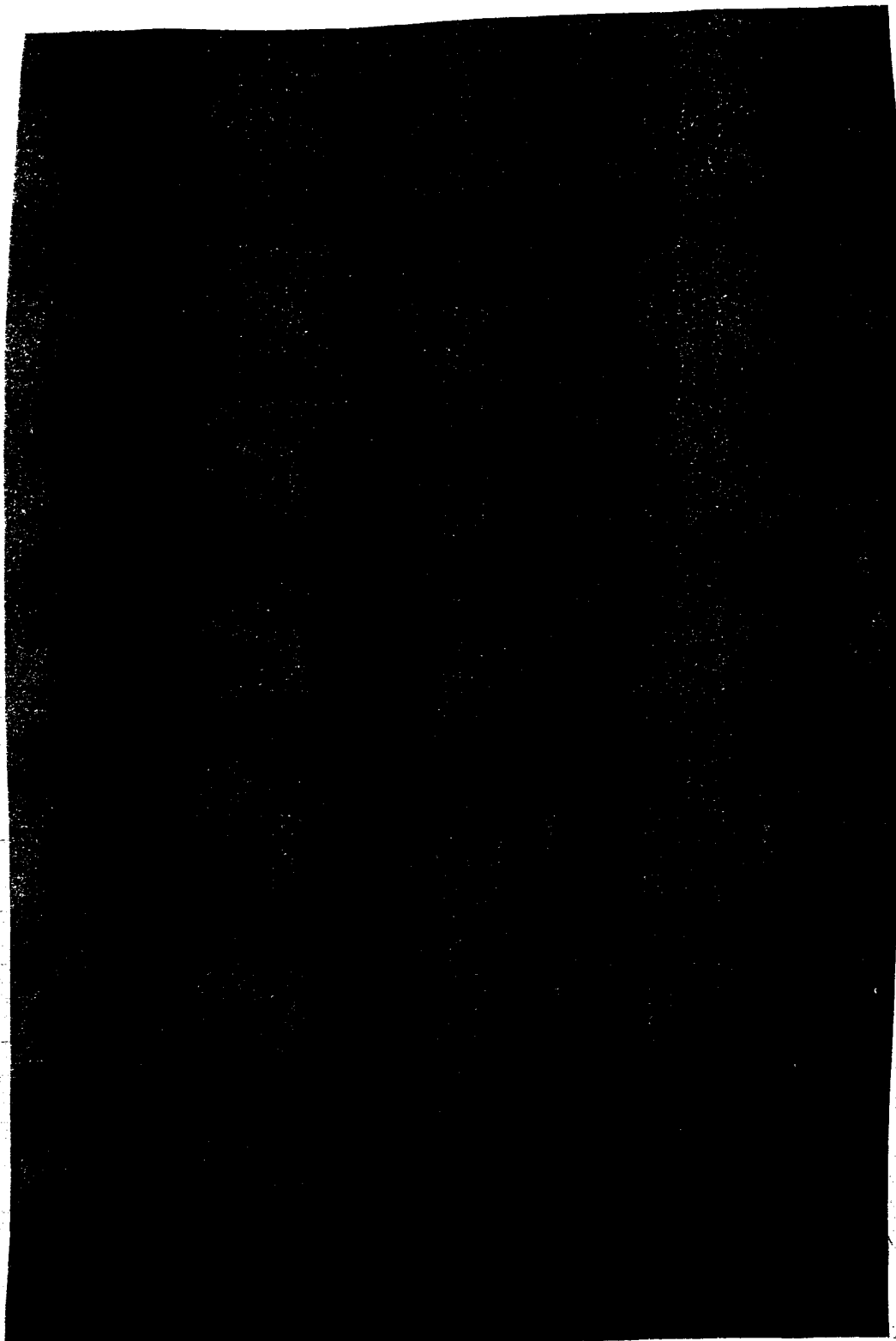


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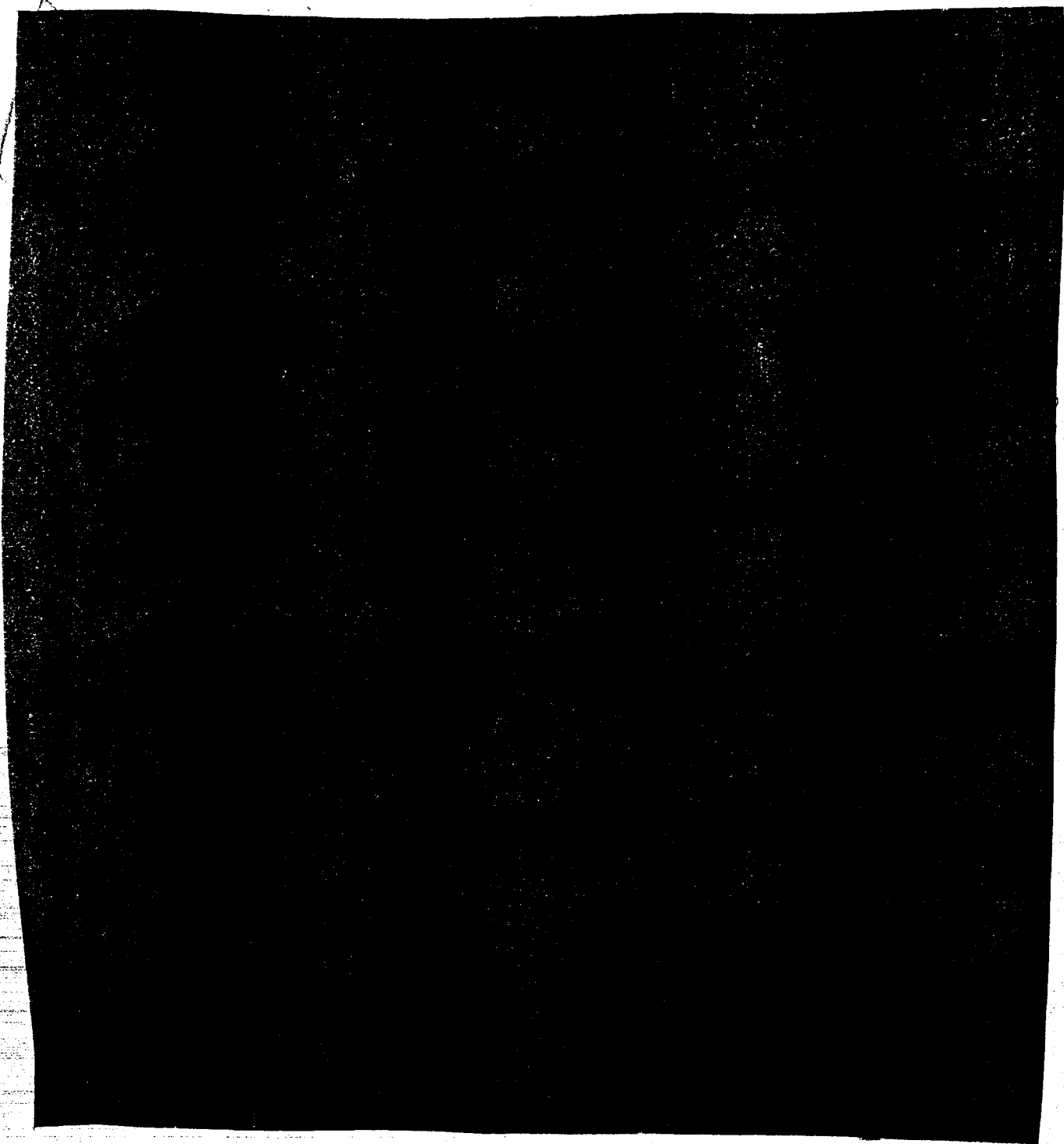


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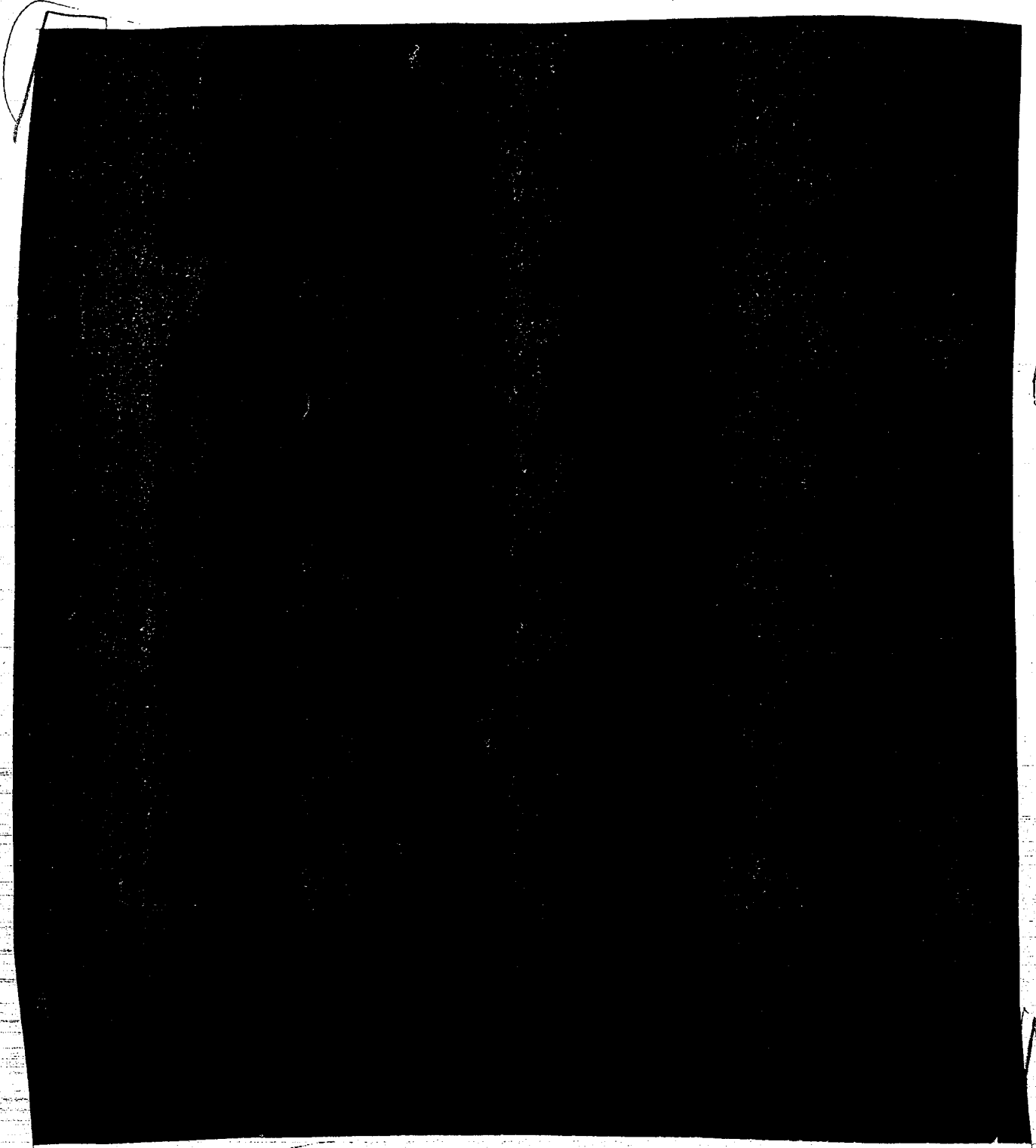
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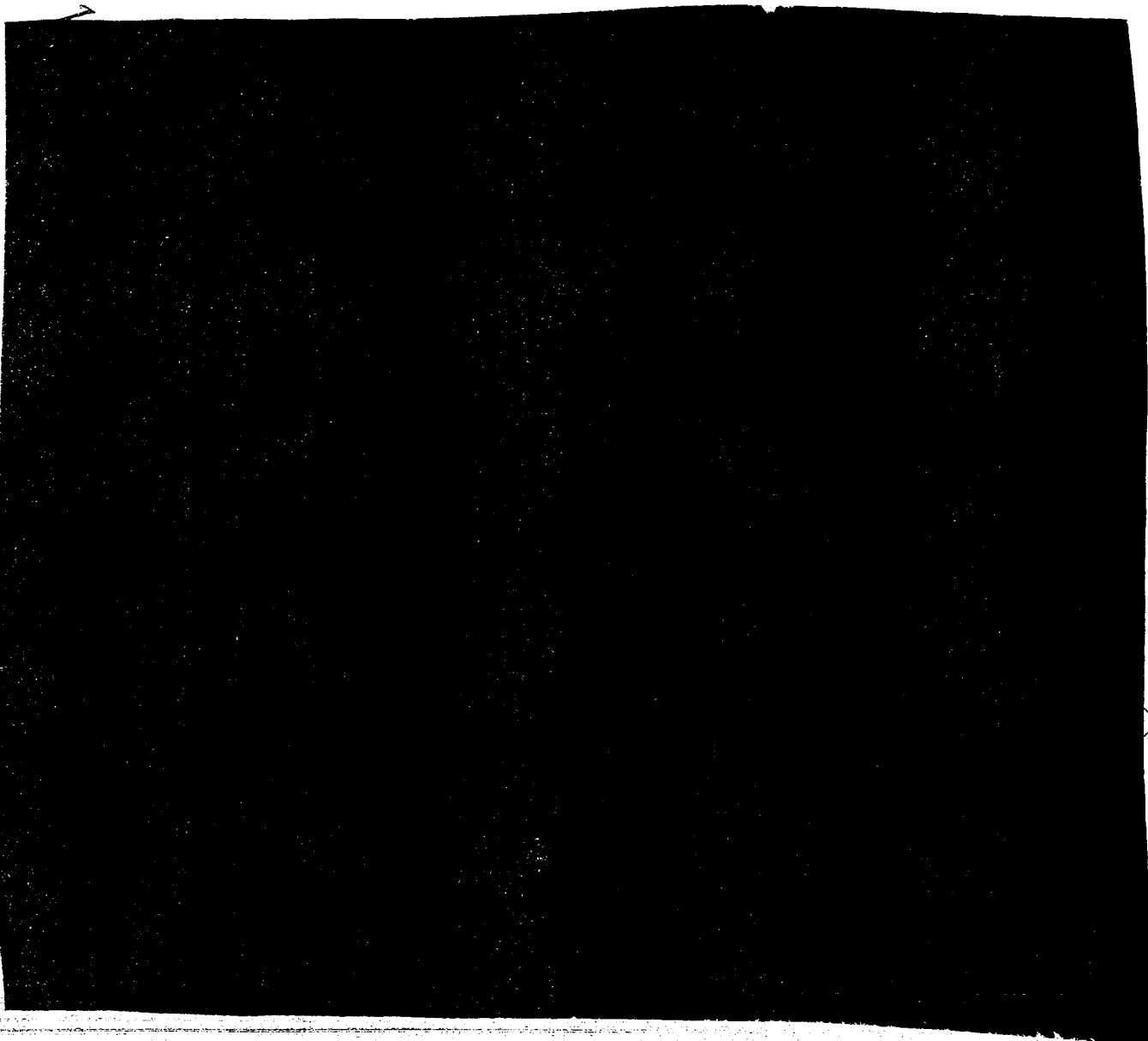
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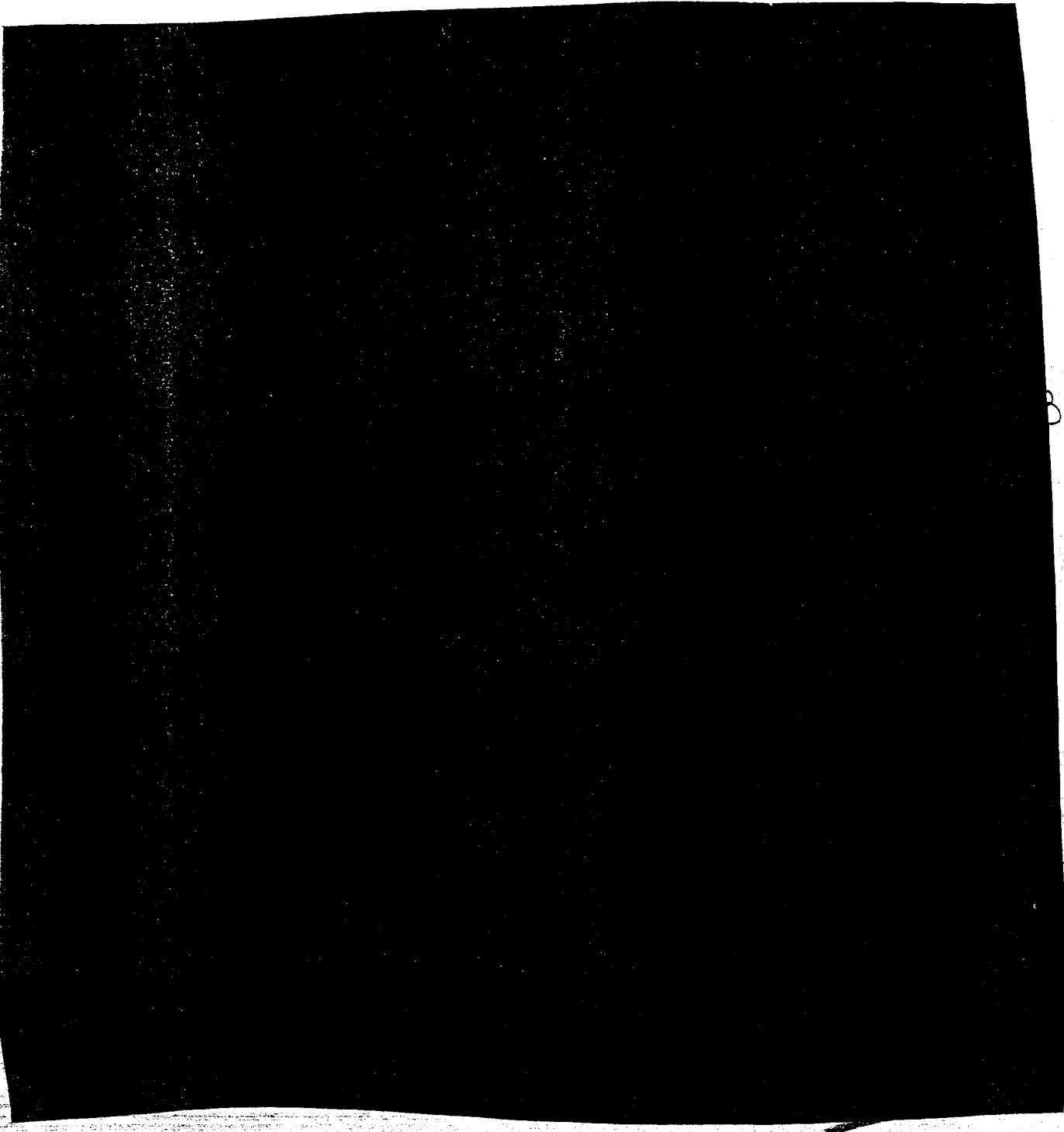
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